

DECEMBER 1984

\$2.00

NOV 20 1984

The Atlantic

FOCUS ON BUSINESS: ARBITRAGE TRADING
ENTREPRENEURS

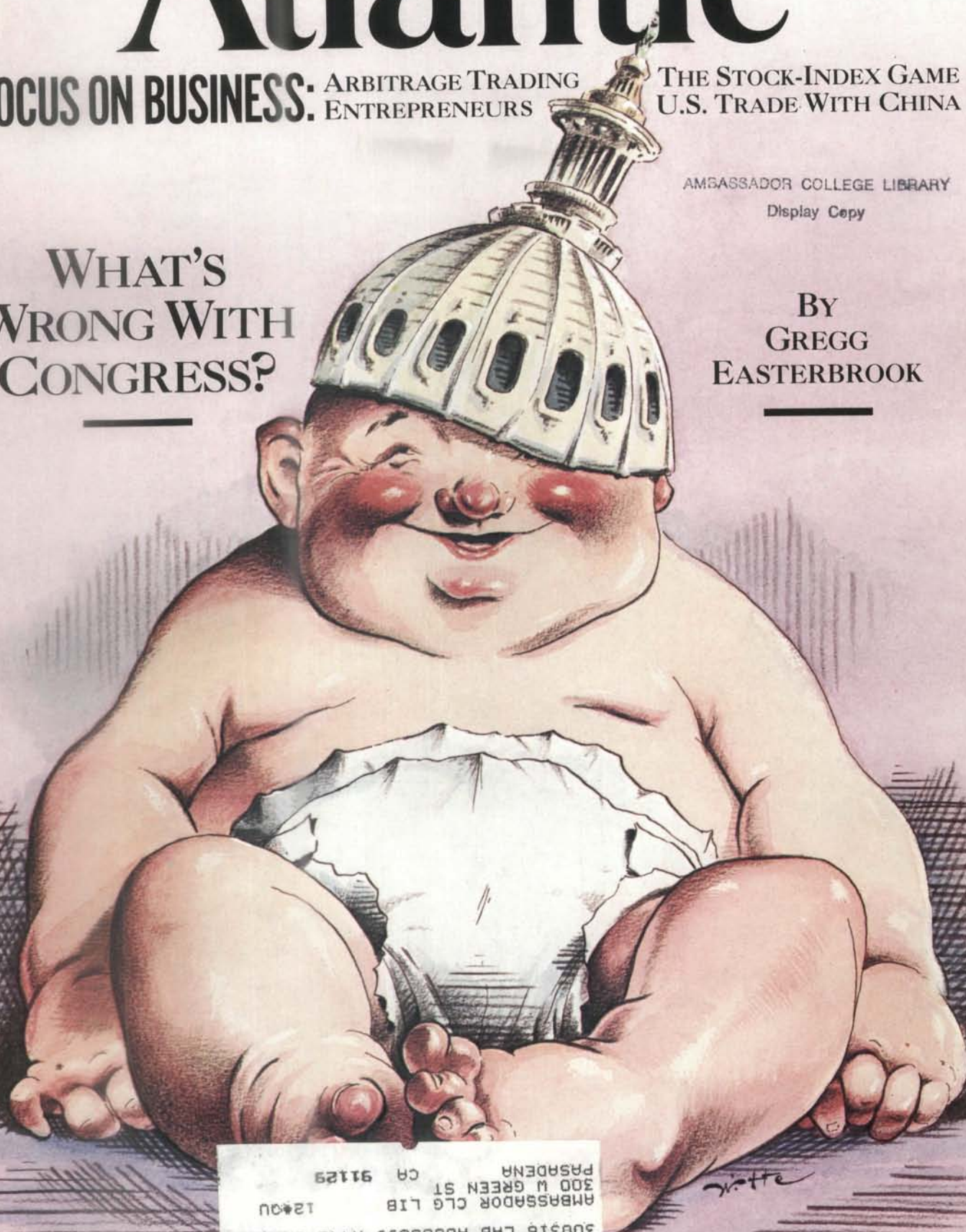
THE STOCK-INDEX GAME
U.S. TRADE WITH CHINA

AMBASSADOR COLLEGE LIBRARY

Display Copy

**WHAT'S
WRONG WITH
CONGRESS?**

**BY
GREGG
EASTERBROOK**



300316 LAB A0000099 H44B JAN86
*****3-DIGIT 911
AMBASSADOR CLG LIB
300 W GREEN ST
PASADENA CA 91129

Mary Ann Sanford makes over 20 critical checks on seat belt systems in GM cars.

She is only one of over 1,800 GM people who make more than 6,000 safety inspections on GM cars built in America.

Checks are made on many things from seat belt retractors to anchor bolts. Latch buckles. Warning lights and buzzers. Every seat belt in every car gets checked.

We do this because it's all part of

building safer cars. That's important to you. And to us.

We believe in taking the extra time, giving the extra effort and paying attention to every detail. That's what it takes to provide the quality that leads more people to buy GM cars and trucks than any other kind. And why GM owners are the most loyal on the road.

That's the GM commitment to excellence.



Chevrolet • Pontiac • Oldsmobile • Buick • Cadillac • GMC Truck



Safety is a full-time job.

Let's get it together. Buckle up.

Nobody sweats the details like GM.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



Someone on Your List Deserves a Tiffany Christmas.

From upper left: Drum candle holders in sterling silver, each \$625. Porcelain mouse by Nymphenburg, \$350. "Nemours" champagne flute, a Tiffany exclusive by Baccarat, \$50. Gilded brass carriage clock with quartz movement, \$255. Emerald ring with diamonds set in platinum, \$54,800. Our star ear clips in eighteen karat gold, \$540. "Candy Cane" of sterling silver with fourteen karat gold, \$125. "Acorn" pill box with vermeil lid, \$47.50. Man's skeleton watch with automatic movement, \$6,700. Flexible ribbon choker in eighteen karat gold, \$3,500. As a bracelet, \$2,200. Sterling silver bow pin with amethysts set in fourteen karat gold, \$400. Compact in sterling silver with fourteen karat gold bow accents set with rubies, \$650.

TIFFANY & CO.

NEW YORK • FIFTH AVE. & 57TH ST. • BEVERLY HILLS • CHICAGO • DALLAS • HOUSTON • BOSTON • ATLANTA • KANSAS CITY • SAN FRANCISCO
TO ORDER CALL 800-526-0649 • IN NEW JERSEY 800-452-9146 • ©T & CO. 1984

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ARTICLES

- 57** WHAT'S WRONG WITH CONGRESS? **GREGG EASTERBROOK**
Congress is in crisis. Increasingly, it does the people's business neither efficiently nor well
- 94** "MY MASTER IS MY PURSE" **CONNIE BRUCK**
Ivan Boesky plays for the highest stakes in risk arbitrage, a tense game that he has made much tenser
- 113** PROFIT VERSUS EXCITEMENT
I. A BORING WAY TO GET RICH **JOHN D. SPOONER**
II. A HIGH-RISK NUMBERS GAME **WILLIAM LANOUILLE**

REPORTS & COMMENT

- 24** TRADE:
THE OPENING OF CHINA
A RESPONSE **ZHAO ZIYANG**
PATRICK G. MADDOX
- 32** MEDICINE:
MARKETING AN OPERATION **THOMAS PRESTON, M.D.**
- 40** NOTES:
MS. BUXLEY? **CULLEN MURPHY**
- 44** TURKEY:
FROM ANARCHY TO MODERNITY **FERGUS BORDEWICH**

HUMOR AND FICTION

- 55** WHAT YOU PERSONALLY CAN DO
ABOUT THE FEDERAL DEFICIT **ROY BLOUNT, JR.**
- 88** EMPEROR OF THE AIR **ETHAN CANIN**
- 111** DROUGHT **GUY BILLOUT**

POETRY

- 80** EMERSON ELEMENTARY **SHARON BRYAN**
- 116** SNAKE LAKE **THOMAS LUX**

BOOKS

- 128** THE HEROES OF CAPITALISM **NICHOLAS LEMANN**
The Spirit of Enterprise by George Gilder
- 132** A MODERN WHITMAN **JAMES ATLAS**
Collected Poems by Allen Ginsberg
- 136** WHAT GOOD IS ARMS CONTROL? **JAMES FALLOWS**
Deadly Gambits by Strobe Talbott
- 141** THE COST OF SERVITUDE **EUGENE GENOVESE**
Slavery and Human Progress by David Brion Davis
- 145** BRIEF REVIEWS **PHOEBE-LOU ADAMS**

OTHER DEPARTMENTS

- 7** LETTERS TO THE EDITOR
- 121** MUSIC:
THE PASSION OF
STEPHEN SONDHEIM **STEPHEN HOLDEN**
- 124** MOVIES:
OUR GREATEST INVISIBLE ACTOR **LLOYD ROSE**
- 151** THE ATLANTIC PUZZLER **EMILY COX**
AND **HENRY RATHVON**

Cover illustration by Michael C. Witte



Subscriptions: 1 Year \$9.95,
2 Years \$15.95, 3 Years \$29.95
in the United States and its possessions;
\$3.00 additional per year in Canada;
\$5.00 additional per year elsewhere.
Address all subscription correspondence
to Atlantic Subscription Processing Center
Box 2547, Boulder, Colorado 80322
Tel: (800) 525-0643
In Colorado 1-447-9330

Printed in the U.S.A.
Copyright © 1984, by
The Atlantic Monthly Company
(ISSN 0276-9077)
All rights reserved.

Advertising sales:
The Atlantic
420 Lexington Avenue
New York, New York 10170
Tel: (212) 687-2424

Washington, D.C. (212) 687-2424
Carol Ference

Atlanta (404) 435-1681
Lagomarsino & Dempsey

Chicago (312) 664-7091
William Hetherington

Detroit (313) 643-8460
W. Richard O'Neil

Los Angeles (818) 989-0994
Bishop & Abel

San Francisco (415) 332-4041
Lauren Gertz

Wellesley, Massachusetts (617) 235-1401
John Nimmo

The Atlantic December 1984
Vol. 254 No. 6

Published monthly by
The Atlantic Monthly Company
8 Arlington Street
Boston, Massachusetts 02116

Second-class postage paid at
Boston, Toronto, and additional
mailing offices.

Unsolicited manuscripts will
be returned *only* if accompanied
by a return envelope and
adequate postage.

Postmaster:
Send address changes to
The Atlantic
Box 2546, Boulder, Colorado 80322.

© Aramis Inc. 1985 Photograph by Albert Nipon Gown: Madonna Man

Aramis was created to be
the most elegant men's cologne
in the world.

Somewhere along the way
it also became
the most provocative.



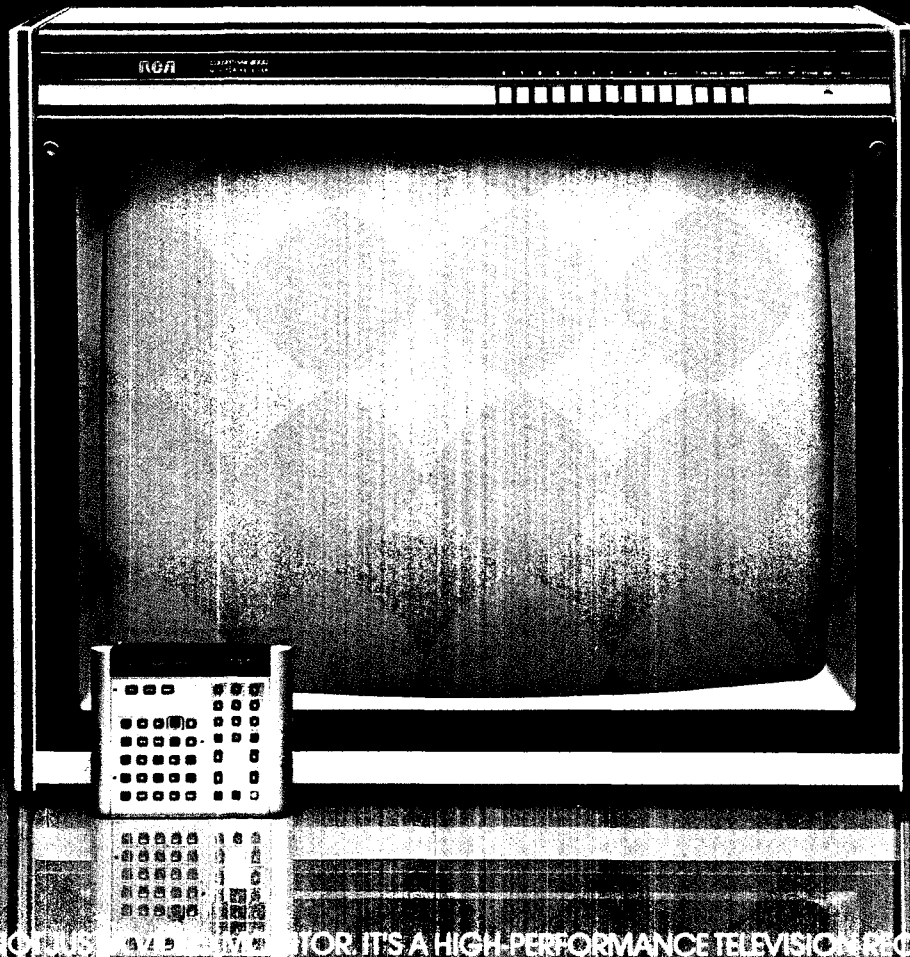
The impact
never fades.

aramis

PRODUCED BY LINZ DKG
ELECTRONIC REPRODUCTION PROHIBITED

C O L O R T R

HIGH PERFORMANCE
BY RCA.



IT'S NOT JUST A VIDEO MONITOR. IT'S A HIGH-PERFORMANCE TELEVISION RECEIVER.

Video monitors that are just video monitors are less than complete. Introducing the first and only video monitor that is also a Full Spectrum television receiver. Due to remarkable developments in audio and video technology, our high-performance monitors for 1985 are the first consumer monitor/receivers to process 100% of the audio/video signal. All the color, all the sound, all the time. Bringing all the magic of life right into your



living room. What's more, RCA's Video Monitors come complete with built-in stereo broadcast receiver and speakers for an unsurpassed video experience. (Stereo sound dependent on TV broadcast signal.) Some RCA Monitors, like the one above, actually fit 25 inches of picture (measured diagonally) in about the space of a 19-inch set. And, last but not least, all of RCA's 16 Colortrak 2000's for 1985 are, in fact, Video Monitors.

V I D E O M

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BACK BY
POPULAR DEMAND.

JACKS IN THE BACK DELIVER A BETTER PERFORMANCE UP FRONT. QUICKLY, EASILY, EFFICIENTLY.

The story behind RCA's Video Monitor helps you get the most from today's video products. As many as 29 rear input-output jacks allow you to bypass the set's antenna circuitry and plug RCA and other video and audio components directly into the chassis. The result is a cleaner, sharper picture from video components. Sound, too, is dramatically improved because audio jacks* permit direct hookup to stereo systems. Giving you cleaner, easier, more efficient

connections than complicated wire hookups. And, with RCA's exclusive Digital Command Center, you can run the whole show from across the room, switching from broadcast to VCR viewing. See the full array of RCA's multi-featured monitors at your local dealer. Or, for more information and a free copy of our "Living with Video" book (a \$2.50 retail value), write: RCA Consumer Electronics, Dept. 32-31288, P.O. Box 7036, Indianapolis, IN 46207-7036.

RCA

TECHNOLOGY THAT EXCITES THE SENSES.

*Selected models.

T O R

A black and white photograph of a hand holding a rectangular gift box. The box is wrapped in a light-colored paper with a dark, textured pattern. A dark ribbon is tied around the box in a bow. A small label on the front of the box reads "J&B RARE SCOTCH WHISKY". The background is dark with many small, out-of-focus white lights, creating a bokeh effect. The hand holding the box is in the foreground, with fingers visible. The overall mood is elegant and mysterious.

How did you ever guess?

*Give the scotch
more people prefer.*

To have J&B sent as a gift anywhere in the U.S., call this toll-free number: 1-800-528-6148.
86 Proof Blended Scotch Whisky. © 1984 The Paddington Corp., NY

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Atlantic

Editor

WILLIAM WHITWORTH

Washington Editor

JAMES FALLOWS

Senior Editors

JACK BEATTY, C. MICHAEL CURTIS

Managing Editor

LOUISE DESAULNIERS

Art Director

JUDY GARLAN

National Correspondents

SEYMOUR M. HERSH, NICHOLAS LEMANN

Associate Editors

JAMES ATLAS, PETER DAVISON (poetry),

ALISON HUMES, CORBY KUMMER,

DEBORAH MCGILL,

ANNE MORTIMER-MADDOX,

SUE PARILLA, MARTHA SPAULDING,

BARBARA WALLRAFF

Staff Writers

PHOEBE-LOU ADAMS, HOLLY BRUBACH,

GREGG EASTERBROOK

Assistant Art Director

RHODA GUBERNICK

Staff Editors

MAUREEN BROWN, HEIDI LANDECKER,

LUCIE PRINZ

Assistants to the Editors

AVRIEL CORNEL, LISA MCKENZIE,

LEILA PRELEC

Contributing Editors

ROY BLOUNT, JR., BENJAMIN DEMOTT,

TRACY KIDDER, MICHAEL LENEHAN,

JAMES ALAN MCPHERSON,

THOMAS POWERS, SANFORD J. UNGAR

Editor Emeritus

EDWARD WEEKS



Chairman

MORTIMER B. ZUCKERMAN

President

JAMES GLASSMAN

Senior Vice President

LAWRENCE MURPHY

Advertising

SUSANNAH PASK, JAMES SHERIDAN,

Associate Publishers

SUSAN BLANK, Vice President

DAWN DREW, CAROL FERENCE,

LAUREN GERTZ,

WILLIAM HETHERINGTON,

LINDA LONDON, KAREN MASON,

W. RICHARD O'NEIL, AUSTIN RUSE,

SARA BETH SHRAGER,

CATHERINE STOCKEL, ANN WALLACE

Circulation Manager

CAROL POWERS

Production Director

JOSEPH O'CONNELL

Administration Manager

SARA NOBLE

Controller

BARBARA SAUNDERS

Editorial and Business Office

8 Arlington Street

Boston, Massachusetts 02116

Advertising Office

420 Lexington Avenue

New York, N.Y. 10170

LETTERS TO THE EDITOR

ATTACK ON THE LIBERTY

The "new evidence" offered by Hirsh Goodman and Zeev Schiff in "The Attack on the *Liberty*" (September *Atlantic*) has been available for years. I mention it in my book *Assault on the Liberty* and show why it cannot be believed. The fact is, Goodman and Schiff's "evidence" is overwhelmingly refuted by other, more compelling material.

Why do Goodman and Schiff ignore the official State Department analysis of the official Israeli excuse? That analysis, prepared by the legal adviser to the secretary of state, discards the Israeli excuse as false.

Did Goodman and Schiff interview anyone who was aboard the ship? Had they done so, they would know that the attacking aircraft did *not* make three careful, low-level, pre-attack orbits seeking to identify the ship, and did *not* attack only after seeing "no flag or signs of identification." In fact Israel attacked a clearly marked American naval vessel and continued to attack long after examining the American flag at close range.

Did they interview the signalman who supposedly signaled "Identify yourself first" or the admiral who investigated that part of the excuse in 1967? The truth, easily verified, and documented in government files, is that no one signaled "Identify yourself first." The *Liberty*'s signalman, Russell David, frantically flashed "U.S. Navy ship, USS *Liberty*" and the ship's international call sign until his signal light was shot out by the attacking boats.

Did Goodman and Schiff reconstruct the scene by plotting it on a chart of the area? Had they done so, they would know that the torpedo boats could not possibly have picked up the *Liberty* at 1:41 and made the plotting errors that Israel claims led to the attack. At 1:41 the boats were still too far away to have picked up the *Liberty* on radar.

Did Goodman and Schiff interview any member of the Defense Subcommittee of the House Committee on Appropriations, which investigated the attack in 1967? Had they done so, they would know that the Israelis' decision to attack was made the day before the ship arrived. Our government learned of it almost immediately and tried to move the

ship to safety, but blundered. Politics made this bitter truth too hot for public knowledge.

These are not things "presented as truth" by bigots or extremists. These are provable facts, which have been uncovered through study of documents and interviews with principals from both the United States and Israel. Anyone studying the entire body of evidence—not restricting themselves to the official Israeli alibi—will reach the same conclusions.

JAMES M. ENNES, JR.

Woodinville, Wash.

The article "The Attack on the *Liberty*" is astonishing. Those of us who write on Middle East subjects and are familiar with the creditable work of the authors are particularly surprised.

To begin with, the article is replete with obvious historical inaccuracies. The government of Israel has not "remained silent" on the *Liberty* affair since 1967. In 1982 the Israeli Defense Forces History Department issued a long, detailed study of the matter, which states that it is "the official version of the State of Israel." Nor is it correct to say, as the authors do, that Israel has made no settlement for damages to the ship itself. Agreement was reached between the U.S. and Israeli governments shortly after Senator Adlai Stevenson threatened a public investigation of the attack. The last portion of the \$6 million settlement was received in February of 1983.

The French arms embargo on Israel did not occur before Israel started the fighting, and was not a factor in the Israeli decision to attack. It's the other way around: President de Gaulle declared the embargo *because* of the Israeli attack.

To say that Goodman and Schiff are selective in their presentation of the facts of the attack on the *Liberty* is an understatement. They seem unaware of the literally hundreds of pages of detail contained in Lieutenant Commander James Ennes's *Assault on the Liberty*, in James Bamford's *The Puzzle Palace*, in my *Taking Sides*, and in Donald Neff's *Warriors for Jerusalem*. These books draw their facts largely from hundreds of declassified documents recently made available by the U.S. Naval Security Group, the Office of the Navy Judge Advocate General, the State Department,

and the National Security File at the Lyndon Baines Johnson Library.

Had they checked these sources, Goodman and Schiff would have been obliged to change their conclusions on, *inter alia*, the frequency and closeness of Israeli air reconnaissance of the *Liberty*, the presence and size of the American flag and its visibility on a clear day in a brisk wind, and the exchange of flash signals between the Israeli torpedo boats and the ship. The authors would also have discovered that the Israeli government warned the U.S. government the night of June 7, 1967, that they would attack the ship if it was not removed from the battle zone, and that when the attack did occur, and the torpedo struck, and lifeboats were lowered from the *Liberty*, the Israeli torpedo boats at close range machine-gunned the lifeboats out of the water.

Perhaps the most astonishing thing about Goodman and Schiff's article is the absence of any reference to the proceedings and detailed report of the United States Naval Court of Inquiry on the *Liberty* attack. One would have expected the authors to at least remark on the dozens of inconsistencies between their story and the court's report, even if they preferred to accept the version of the attack given by their Israeli sources.

STEPHEN J. GREEN
Montpelier, Vt.

Goodman and Schiff assert that to this day Israel has not reached a settlement with the U.S. government concerning the latter's claim for damages.

In that regard, the Embassy of Israel in Washington wishes to state that on December 17, 1980, an exchange of notes between the governments of Israel and the United States confirmed that in full and final settlement of the U.S. claim regarding the *Liberty*, Israel would pay the U.S. government \$6 million, in annual payments of \$2 million commencing January 15, 1981.

It should be emphasized that Israel's payments to the U.S. government were made without prejudice to the legal position of the government of Israel or to the question of liability for the tragic event.

VICTOR HAREL
*Press Counselor, Embassy of Israel
Washington, D.C.*

"The Attack on the *Liberty*" is simply outrageous: it explains everything and justifies nothing. "Tragic acci-

dents" indeed happen in every war, but no matter how clever this casuistry, all Israel's actions before and after its barbarous attack speak loudest; the heart aches over such duplicity from an "ally."

L. M. BRAMBLE
Long Beach, Calif.

History would have been better served if Goodman and Schiff had stated that the attack on the *Liberty* occurred less than twenty-four hours before Israel launched a pre-emptive strike against Syria in the Golan Heights, after (as they did state) it had been identified as an American intelligence-gathering ship, and as it was approaching waters where it could monitor Israeli communications. When the *Liberty* was torpedoed, the crew was ordered to prepare to abandon ship (J. M. Ennes, *Assault on the Liberty*). This proved impossible, because after expending their torpedoes the Israeli boats continued with a machine-gun attack that kept most men pinned below decks. They were able to put three life rafts over the side of the ship—two of these were sunk by gunfire and the third was taken on board one of the torpedo boats. The ship did not sink, and after two and a half hours the Israelis ceased their attack.

This attack on the crew and their lifeboats as they attempted to abandon ship was savage and inexcusable under any rules of engagement; it is not mentioned by the authors. Instead they offer us Colonel "L," who mysteriously and "temporarily" took charge of the navy war room and ordered the *Liberty*'s position removed from the battle-control table, and thereby allowed the "tragic accident" to occur.

HARRY A. ACKLEY
Santa Rosa, Calif.

Hirsh Goodman and Zeev Schiff reply:

We have in our possession the verbatim transcripts of the dialogue between the Israeli Naval War Room and the attacking vessels, the verbatim dialogue between Israeli Air Force HQ and the pilots, classified documents from three commissions of inquiry into the affair, the Yerushalmi Report, the testimony of all the major participants to the various commissions of enquiry, transcripts of our own interviews with the Israeli principals, and detailed charts.

We never claimed there was no flag, we never denied that Israel was guilty of serious mistakes, and we never claimed to have written the final version of histo-

ry. We claim to have added a new perspective, one never revealed before, and one that must surely interest any bona fide pursuance of history.

Now to the specifics: Mr. Green is wrong regarding the French embargo on Israel. After a meeting with Abba Eban, on June 3, 1967, three days before the outbreak of the Six-Day War, President de Gaulle imposed the embargo, apparently in an attempt to discourage a pre-emptive attack by the Israelis. We stand by our statement that the *Liberty* was picked up by Israeli radar at 1:41. This is backed up by sworn testimony before legal commissions of inquiry by several participants to the tragedy.

What Mr. Ennes claims the signalman signaled is not the issue. What is relevant is the sworn testimony of the captain of the Israeli torpedo boat, and those around him, on what they read: "AAA"—"Identify yourself first."

Also, how can one claim that the forces involved in the attack on the *Liberty* knew the ship's identity at the time of the attack, when they reported back that they thought it was a Soviet vessel—a report that sent the Israeli general staff and the defense minister into a well-documented panic at the time.

We also contest Ennes's claim to interviews with any of the principals on the Israeli side, and challenge him to name those he claims to have interviewed.

In *Taking Sides* Stephen Green claims that the *Liberty* was attacked to prevent the Americans from knowing what Israel was doing in the 1967 war. In the same book he claims that American pilots were simultaneously flying missions for the Israeli Air Force. He has yet to explain the contradiction.

We apologize for the error regarding the final compensation settlement by Israel; had we benefited from official help in Israel in researching this article, the error would not have occurred.

This error, however, does not change the main thesis of our work: the attack was not deliberate but was the result of a chain of errors on both sides—errors that may be horrendous in their stupidity, but errors that are inherent in war, something the American Armed Forces know from their own experience.

MORE ON THE MACINTOSH

James Fallows's article ("Appropriate Technology," September *Atlantic*) about the Apple Macintosh is flawed by



OPEN WIDE



**AND SAY
ENCORE**

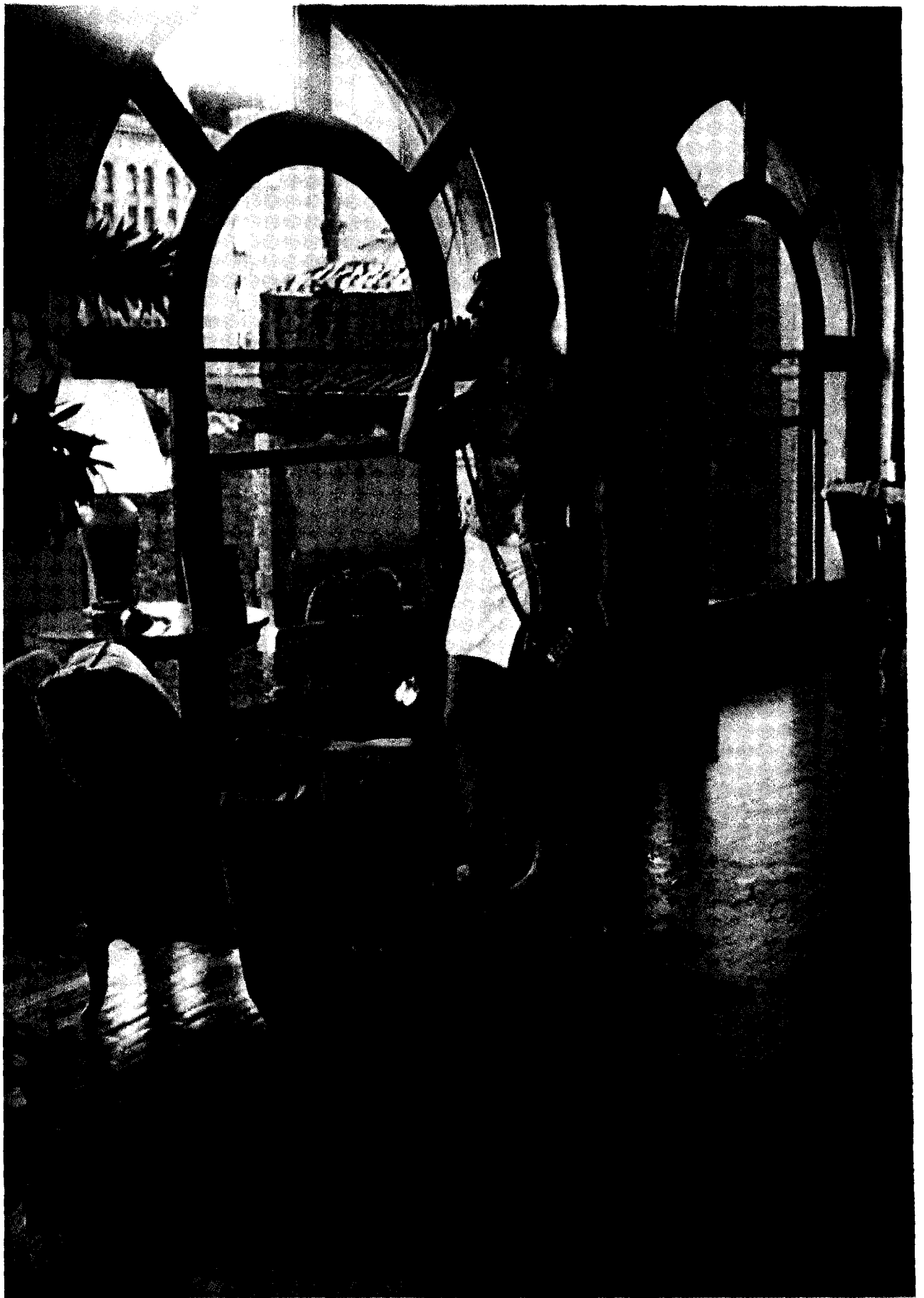
If you want European styling just say the word. Encore. An amazing perspective on hatchback design. The panoramic rear view lets you see and be seen in a new dimension. Ergonomic instrumentation provides a bank of driver data. Renault's unique pedestal seats offer an extra degree of style and rear legroom. The fold-down rear seat is designed to extend cargo space convenience. Encore's 4-wheel independent suspension with two coaxial rear torsion bars and power front disc/rear drum brakes results in impressive performance and handling. Your choice of engines, including the optional new 1.7 litre, for increased performance. Electronic fuel injection produces fuel ratings that excel: **40** EST HWY, **34** EPA EST MPG*. The front wheel drive Encore. From Renault, Europe's leading car maker.

*Buy in America. \$5959**.* The

world's most amazing!

*Base model 1.4-litre engine. Use for comparison only. Actual highway figures vary with speed, trip length, weather. Actual highway figures lower. **Includes destination charges, rear deck cover \$74, wheel covers \$93, and regional taxes. All options not available in all models. Buy or Lease. From America's leading car maker. Safety Belts Save Lives.

RENAULT
THE ONE TO WATCH 



©1984, Paco Rabanne Parfums. Photograph by Robert Farber.

Hello?

I hope you sit on a lute!

Ah, the sweet song of the morning
grouch!

You didn't say goodbye.

I didn't want to wake you.

*Who could sleep when there's a hunk
with no clothes on wandering around
at five in the morning, humming
Vivaldi and knocking over furniture?*

You have an ear of tin. It was Bruch.
And I'm playing it this afternoon
up in Boston for the Ladies of the
Noble Order of Sweater-and-Pearls.
What are you doing?

*Lying here, thinking of you. You
know, I can smell your Paco Rabanne.
It's like you were still here.*

I wish I were.

*I couldn't go back to sleep, remem-
bering everything. I wanted to hear
your voice. It has the most interesting
effect on me ...*

Maybe I should run over and read you
a bedtime story or something.

Or something.



Paco Rabanne
For men

What is remembered is up to you

At Saks Fifth Avenue

its failure to recognize the Mac's place in computerdom's evolutionary tree: a significant mutation with a very good chance of succeeding.

Fallows claims that "most computer programs create electronic facsimiles of material previously found on paper. The Macintosh display does not resemble anything that has ever been written down." I think Fallows is confusing two separate things: user commands and information display. In fact computer applications on other computers usually force people to use hierarchies of command "menus" to control the programs, controls found in restaurants but not on calculators or typewriters.

The Mac uses icons and the mouse to reduce the size of (but not eliminate) traditional menu structures. Many program designers believe that ideal programs will let their users constantly see what they can do, and the Mac's display capabilities allow this sort of design to an extent that no other personal computer permits.

As for information display, the Mac displays paper facsimiles more faithfully than any other personal computer except Apple's Lisa. One good example of this is MacWrite, which Fallows calls a "clumsy, slow, primitive word-processing program"; it shows you on the screen exactly what you will get when you print, something most other word processors (including WordStar) cannot do. Of course, MacWrite is the first word processor for the Mac and is relatively simple, but I expect that new ones will do all that MacWrite does, as well as all the extra things an author or a secretary would want.

I am mystified by Fallows's statements that "it is unsuited for service as much beyond a toy" and that "it does not make enough of life's chores simpler." He correctly states that "the IBM Personal Computer is a resounding success . . . because it can run thousands of useful programs," and implies that Apple could have assured the Mac's success by making it the twenty-ninth (yes, there are at least that many) "IBM-compatible" computer. As Fallows knows, even the IBM PC had few programs running on it for its first six months. More significant, no progress in computer technology other than raw speed or size can be made unless manufacturers introduce incompatibilities; however, that means some existing programs will have to be modified while others will have to be completely rede-

signed to take advantage of the new technology.

Only someone who has been bludgeoned into accepting today's applications as the best we can expect would conclude that "from a technical point of view, the Macintosh's greatest problem may be its inability to handle 'batch files' or 'macros,' which speed the operation of complicated programs." The Macintosh's new and incompatible features are aimed at helping (some say forcing) program developers to create programs that deliver all the power of their forebears without the complexity that requires a veneer of batch files or macros to paper over their weaknesses. In any event, I am sure someone will offer that sort of capability as an optional add-on.

I agree that portable computers and electronic mail have great potential, and, like Fallows, I use a Radio Shack Model 100 and MCI Mail. But surely innovation tailored to the marketplace is needed in many areas of computing. Portability is clearly one such area, and electronic mail, though it has been around for more than ten years and has been slow to catch on, may be another. However, new and simpler user-control schemes are innovations that are also aimed at the marketplace, even if Fallows thinks the Mac misses the target. Many of us in the industry believe that the Mac *is* on target and will set a new standard, if only we can figure out the best way to exploit it and get some applications that make life's chores simpler to market before the initial interest in the technology dies.

GILBERT H. HOXIE
Palos Verdes, Calif.

Perhaps I have been led astray by excessive reading of computer magazines, but it has been my understanding that the Macintosh was designed primarily as a small-business computer. I regret that Mr. Fallows finds it too expensive a toy for his small children, but that is hardly the purpose for which it was designed. I use *my* Macintosh to run my business, and I find that it does so admirably.

SUSAN L. BORCHARD
Athens, Ohio

James Fallows's critique of the Apple Macintosh computer hits the facts but misses the conclusions. Fallows faults the Macintosh for being a "wildly expensive toy" for children's play. Irrele-

vant. Apple is marketing the Macintosh to "knowledge workers," not youngsters. That the Macintosh does double service as an educational vehicle is a bonus.

Fallows (and others) have faulted the Macintosh for its lack of software. The "thousands of useful programs" that the IBM PC can run weren't developed overnight. I know. I spent a year developing one. To call the IBM PC a "resounding success" and the Macintosh a failure because of a difference in the number of available applications is like calling an infant an idiot because he can't add yet. Macintosh software is coming, and, I believe, at a rate commensurate with that of early IBM PC software.

DAN CHADWICK
Director
Nashoba Systems, Inc.
Lincoln, Mass.

James Fallows is quick to criticize those features of the Macintosh that he finds gimmicky or frivolous, yet he seems not to know why these features were included in the first place. The mouse, high-resolution graphics, and other unique features of the Mac were all included to provide a simple, intuitive, and consistent method of use based on the desktop metaphor, where the computer screen is the desktop and the mouse is used to manipulate objects on the desk. Because the metaphor provides a familiar environment for the user, learning to use a program that might take upwards of twenty hours on another computer takes around three hours on the Mac.

Other word processors are often cryptic at best. My father's medical office struggled unsuccessfully for more than a year with the word processor on its expensive office system. They now have a Mac, which a secretary quickly learned to use to prepare research papers and even slides for lectures. The Mac is significantly easier to use than most other computers.

The Macintosh is certainly flawed: it could use cursor keys, another built-in disk drive, and more memory. Yet other personal computers are more seriously flawed. More memory, more storage, and more resolution are only as valuable as they are easy to use. The Macintosh has taken us one step closer to an appliance computer that can be used in hours rather than months.

MATT KURSH
Shaker Heights, Ohio



In 1957, two new stars started playing on TV.

One you already recognize. The other was a brand new invention 3M introduced to the CBS television network. We called it videotape.

Since then, over 300 improvements later, our invention has been the standard of the television industry. It's gone around the world and into outer space. It's even won an Emmy.

In fact, 3M Scotch® brand one-half inch videotape is so exceptional, it even holds a *lifetime* warranty against defects in materials and workmanship.

Hearing what people need and seeking new ways to improve our answers (300 times or more) has helped 3M star in pioneering and perfecting over 200 high-performance consumer products. From Thinsulate® Thermal Insulation that's nearly twice as warm as down, to Scotchgard® Protectors and floppy disks for home computers. When it comes to breakthrough innovation, leave it to 3M.

We always begin by listening.

3M hears you...

For your free 3M Products and Technologies Brochure write: Department 072412/3M, P.O. Box 22002, Robbinsdale, MN 55422.

Name

Address

City State Zip

Or call toll-free: 1-800-336-4327.

© 1984, 3M

3M

James Fallows replies:

I am prepared to eat a little crow, though not precisely the variety some of these correspondents are dishing out.

Two things have changed since I wrote my article, late last spring: one in the world of computers and one in my mind. The objective change is the sudden proliferation of programs for the Macintosh. During the months I had the machine, not much software was available beyond the two programs I mentioned in my review. Some people said that a new wave of programs was coming, but it had not yet hit. Many of the programs were still just promises, part of that unloved category known as "vaporware." Debates raged in the trade press about whether enough new programs would be released soon enough to establish the Macintosh as a clear success. To use Mr. Chadwick's analogy, it was not certain that the infant would ever go to school. As it turned out, the programs did come and the doubters were wrong, but that was not provable soon after the machine's release.

The other, subjective change is my heightened awareness that tastes differ dramatically with respect to computers. When I say that I find the humble Radio Shack Model 100 more useful than the dazzling Macintosh, I reflect the tastes of a man who relies on computers mainly for writing and finds the "mouse" and "icon display" and other innovations handsome but impractical adornments. If the sacks of mail I have received from incensed Macintosh owners are a fair indication, I am in a minority, and for attempting to force my tastes on others I do offer my regrets.

THE AMERICAN HOUSE

Philip Langdon's article "The American House" (September *Atlantic*) should have made the point that the American housing industry is not serving the housing needs of the American people.

It certainly did not serve my needs. Before retiring I shopped the housing market for a small house suitable for a retirement home, only to find that builders no longer built small houses. So my wife and I built our own.

We found that houses are very easy to build and surprisingly inexpensive. Mr. Langdon mentions housing costs in California of \$100 per square foot. My house cost me \$10 per square foot. It

took us a year to build, working part-time and weekends, and we paid for it entirely out of current earnings so that we have no mortgage.

BROOKS DRAYTON
Running Springs, Calif.

Re Philip Langdon's article on the American house: why no word on the owner-built home? Not the carpenter's house but the house built by the waiter, the auto mechanic, or the schoolteacher; not a pre-cut kit-house; not a house from a plan in a magazine. What about the house built by a person with a hammer in one hand and several how-to books in the other?

ANDREW LACHER
Winterport, Maine

Philip Langdon's article describes what has been happening to the American house in positive terms, whereas in reality the overall quality of housing has reached new lows in design, craftsmanship, and overall "livability." As an example, Langdon's description of the house designed by Paul Bierman-Lytle as "sleek" and "sensuous" is ridiculous when one considers that the rear of the house is rendered useless both inside and out by the absence of windows and the high, stark walls.

DOUGLAS H. APIRIAN
West Springfield, Mass.

Philip Langdon replies:

I agree with part of Mr. Drayton's observation: many builders have shifted away from *detached* houses as small as those of thirty years ago. But they have done so in response to three main forces: restrictive zoning; much higher land costs, which in some regions have made it economically unrewarding to put small houses on small plots of ground; and consumer preferences. Rather than neglecting the desires of older people, builders have in fact increasingly tailored their housing to specific population groups, such as couples over fifty. Obviously, the solutions that high-production homebuilders have arrived at (such as the attached-condominium form of development) don't suit everyone.

As for the omission of owner-built housing, I did include log houses and post-and-beam houses, many of which are built with at least the partial involvement of their owners. Some exhibit a striking individuality—a point not made in the article—but I'm unconvinced that

owner-built houses in general are fundamentally different from those erected by commercial homebuilders.

Finally, Mr. Apirian's difficulty in applying my adjectives to the passive-solar Connecticut house by Paul Bierman-Lytle (with the collaboration of Steven Conger and David Conger) may stem from the fact that, unknown to me, the editors chose to publish photos (page 52) of a Bierman-Lytle house other than the one I described in the text (page 55). Readers can decide for themselves whether they like the nearly windowless north façade of the house that was shown; to my eyes, its sculptural quality is stunning. Certainly, the people who live in it seem pleased; the many south-facing windows supply light, warmth, and a tree-framed vista of Long Island Sound. It hardly matters that there's no view in the opposite direction.

THE CULTURE OF POVERTY

"The Culture of Poverty," by Nicholas Lemann (September *Atlantic*), was interesting, with a lot of impressive statistics, but unless I misunderstood him, he and the people he interviewed seem to blame the Republican Party in general, and Mr. Reagan in particular, for the present plight of the poor. This seems a bit unfair to me, since, mathematically, Mr. Reagan couldn't possibly have had his policies enacted without sufficient help from the Democrats. After all, the Republicans are still the minority political party.

ROGER WILLIAMS
New York, N.Y.

"The Culture of Poverty" was an excellent and very informative article, but neither the author nor the Reagan Administration pays enough attention to the effects on the children of the poor.

I talked recently with a couple of social workers who say that if a young mother lives in a low-income housing project, receives welfare and food stamps and Medicaid, and is healthy and a good manager, she can get by—if there are no emergencies. Perhaps she could even get a job, if she has someone to take care of her children or has access to a low-cost day-care center.

Unfortunately, many thousands of people do not meet these conditions. According to your article, these people are working longer to try to make up for

the Reagan cuts. Are there any statistics that show how many young children are being left alone while their mothers work? Older children must be affected too. Neglected poor kids readily resort to crime, since they want the same things the other kids have.

Some of the Reagan cuts might have been justified, but I'd be willing to bet that what was saved on welfare expenditures has cost us sizable amounts in other and more damaging ways.

VIRGINIA K. WILLIAMS
Freeport, N.Y.

Nicholas Lemann replies:

Roger Williams is right that Reagan's budget cuts passed with the assent of some Democrats, who under the nickname "Boll Weevils" united with the Republicans to form a working conservative majority in the House of Representatives in the spring and summer of 1981. But I think it's fair to say that the impetus for the cuts came almost entirely from Reagan. Certainly a re-elected Jimmy Carter wouldn't have proposed them, and probably none of Reagan's rivals for the Republican nomination in 1980 would have either. Reagan himself is not hesitant about calling the cuts his own, and to the extent that he gives a role to the Democrats, it's as the roadblock in the path of even more cuts.

Virginia Williams raises an important point. The size of the cuts in programs aimed at children is easy to measure—a document published by the Children's Defense Fund, in Washington, D.C., called "Children and Federal Child Care Cuts," is an authoritative source. The effect of the cuts is a much more difficult matter, because the real aim of these programs, which is to help poor children to grow up to be middle-class, takes so long to accomplish. An important study of the Head Start program by the High/Scope Educational Research Foundation, for instance, was launched in 1965 and its results were published only this summer. On the other hand, the important question about subsistence programs—namely, at what level of comfort do their beneficiaries live?—can be answered almost immediately after budget cuts take effect.

TRIVIAL PURSUIT

Although I agree with Cullen Murphy ("Foul Play," September *Atlantic*) that there are an unfortunate number of

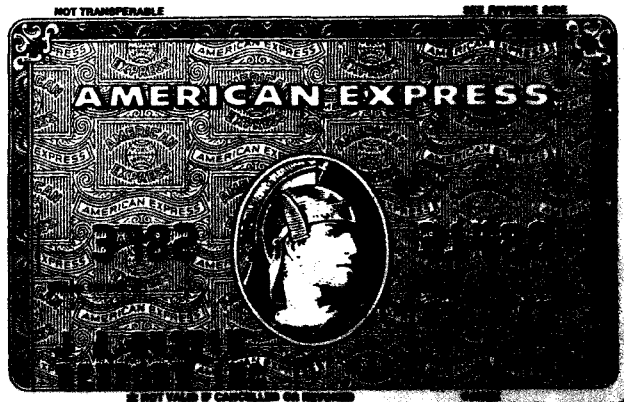
Befittingly Beefeater.

BEEFEATER GIN.
The Gift of Excellence.

To send a gift of Beefeater anywhere, phone 800-238-4373. Void where prohibited.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Discernible Difference



in Corporate Payment Systems.

To American Express: It goes without saying that your Card and all its attendant utility is a prime consideration in evaluating corporate payment systems. But I also have to look at the bigger picture. How will American Express improve my cash flow, help control T&E expenses, pinpoint who's spending what where, and alleviate my crazy quilt system of credit cards and bills? Demonstrate those discernible differences and maybe we can do some business.

Name_____

Company_____

Title_____

Address_____

City_____State_____Zip_____

Phone_____No. of Travelers_____

Mail to:

A.M. Busquet, V.P.

American Express

Travel Management Services

P.O. Box 13821

Phoenix, Arizona 85002

Or call toll-free

1-800-528-AMEX*



American Express® Travel Management Services

*In Arizona call 602-222-3283. 244-00-0030-5



SCRABBLE® is the registered trademark of Selchow & Righter Co., Bay Shore, NY, for its line of word games and entertainment services.

factual errors in Trivial Pursuit, I am amused at his comment that the game has a "surfeit of Canadian subject matter." Most Canadians and other non-U.S. persons I have talked to about Trivial Pursuit complain vehemently about the incredible bias toward U.S. trivia, and are aware that the Canadian originators of the game designed it that way intentionally in the hope (achieved, as it turned out) of "making it big" in the U.S. market. No doubt Mr. Murphy (who, incidentally, misuses the word *American*: Canadians and Mexicans are also Americans) would consider the average U.S. public school's treatment of history and geography, or ABC's reporting of the Olympics, to be an example of well-balanced coverage.

ROGER H. GREEN
London, Ont.

I applaud Cullen Murphy's critical analysis of the flawed questions in the game Trivial Pursuit. Nothing tends to infuriate an avid player more than being penalized for knowing too much.

I lost a close round with the question "What was Captain Ahab's peg leg made of?" Quoting from *Moby Dick*, I said, "The jawbone of a sperm whale." The game's answer: "Ivory." My jeering opponents were unsympathetic.

KYLE CURRY
Austin, Texas

While Murphy has stated a fact in saying that "not even the *Catholic Encyclopedia* provides an answer to the question" about how many Johns have been Pope, another fact weakens his statement. Of course the *Catholic Encyclopedia* fails to answer the question, because it was published more than thirty years before Angelo Roncalli was elected Pope and took the name John XXIII. Murphy probably meant to cite the *New Catholic Encyclopedia* (New York: McGraw-Hill, 1967). Neither it nor its supplements (1974, 1979) can answer the ambiguous question asked by the game. Sometimes it is simply impossible to resist hurling a stone-hard fact at one who sets himself up in a glass house.

JAMES RETTIG
LaGrange, Ill.

MORE ON GRENADA

Re "Grenada Before and After," by Michael Massing (February *Atlantic*): For serious students of what took

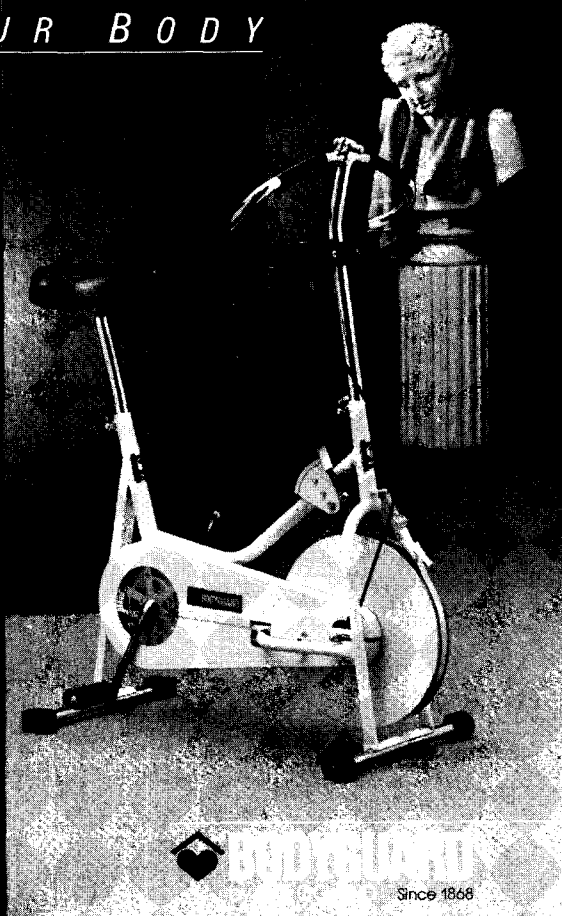
GUARD YOUR BODY

Discover the Bicycle Exercise Advantage and follow the Pros on BODYGUARD's 955 Exerciser for home & club use—the choice of trainers, athletes and fitness-conscious people worldwide.

The 955 Exerciser offers electronically-balanced true flywheel design, without brake pads, for smooth, quiet operation. So sturdy that the steel frame has a lifetime warranty—it's the quality you expect from Scandinavia's largest bike manufacturer.

Also available as a Racing Bike/Triathlon trainer; optional reading rack makes exercise time fly!

J. Øglænd, Inc., 40 Radio Circle,
Mt. Kisco, NY 10549
Call 800-828-1186 for your nearest dealer. In NY: (914) 666-2272.



bodyguard
Since 1968

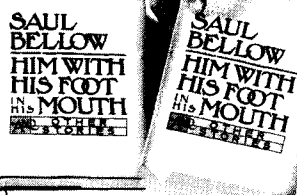
QPB PRESENTS THE BOOKS OF CHRISTMAS PRESENT.

Join QPB and give yourself a gift you'll enjoy all year.

QPB books are softcover editions in hardcover sizes, durably bound and printed on fine paper. But they cost up to 65% less than their hardcover counterparts. And you're under no obligation to buy another book.

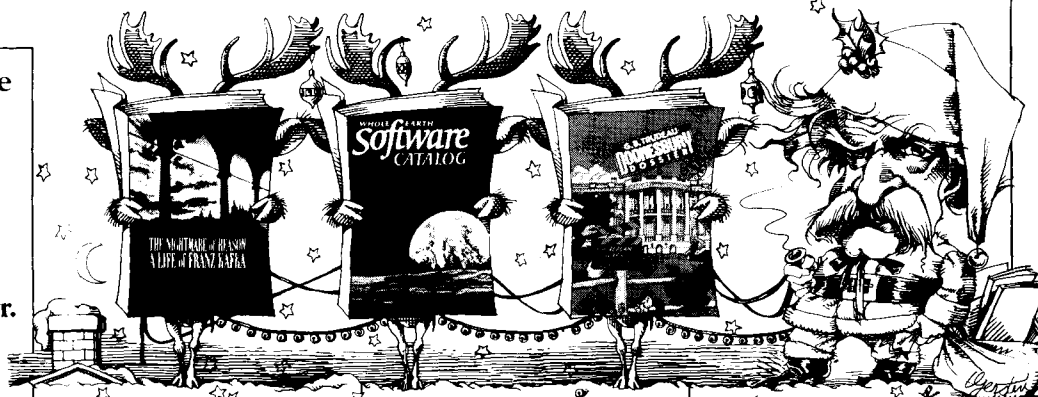
So get into the spirit of Christmas present. Deck the shelves with books of QPB.

Compare



Hardcover: QPB Softcover:
\$15.95 \$7.95

583. *Him with His Foot in His Mouth and Other Stories.* Saul Bellow
Hardcover: \$15.95 QPB Ed: \$7.95
109. *Writing with a Word Processor* William Zinsser
Hardcover: \$12.95 QPB: \$4.95
388. *The Death of Che Guevara* Jay Cantor
Hardcover: \$17.95 QPB: \$7.50
116. *The Connoisseurs' Handbook of California Wines* (Third Edition). Charles Olken, Earl Singer and Norman Roby. QPB: \$5.95
145. *Under the Volcano* Malcolm Lowry. Introduction by Stephen Spender
Hardcover: \$15.95 QPB Ed: \$6.95
155. *Edisto.* Padgett Powell
Hardcover: \$11.95 QPB Ed: \$5.95
260. *Report on the Shroud of Turin* Dr. John H. Heller
Hardcover: \$15.95 QPB: \$6.95
185. *A Christmas Treasury* Edited by Jack Newcombe
Hardcover: \$19.95 QPB Ed: \$9.95
393. *Vietnam: A History: The First Complete Account of Vietnam at War.* Stanley Karnow
Hardcover: \$22.50 QPB Ed: \$8.95



711. *The Nightmare of Reason* A Life of Franz Kafka. Ernst Pawel
Hardcover: \$25.50 QPB Ed: \$10.95
445. *Know Your Own Mind: Nine Tests That Tell You What You Do Best.* James Greene & Davis Lewis
Hardcover: \$14.95 QPB: \$5.95
521. *The White-Boned Demon* A Biography of Madame Mao Zedong. Ross Terrill
Hardcover: \$18.95 QPB Ed: \$9.95
559. *The Name of the Rose* Umberto Eco. Translated from the Italian by William Weaver
Hardcover: \$15.95 QPB Ed: \$8.50
566. *The Working Mother's Complete Handbook* (Revised Edition). Gloria Norris and JoAnn Miller
QPB: \$7.95
591. *The Writer's Guide to Magazine Markets: Nonfiction and Fiction* (2 Vols.) Helen Rosengren Freedman and Karen Krieger
QPB: \$11.95
601. *World Religions: From Ancient History to the Present.* Edited by Geoffrey Parrinder
Hardcover: \$29.95 QPB Ed: \$13.95
111. *Machine Dreams* Javie Anne Phillips
Hardcover: \$16.95 QPB Ed: \$7.95
231. *Twentieth-Century Culture* A Biographical Companion. Edited by Alan Bullock and R. B. Woodings
Hardcover: \$35 QPB Ed: \$12.95
714. *The Only Problem* Muriel Spark
Hardcover: \$14.95 QPB Ed: \$5.95
715. *Outrageous Acts and Everyday Rebellions.* Gloria Steinem
Hardcover: \$14.95 QPB Ed: \$6.95

264. *Whole Earth Software Catalog.* Stewart Brand
QPB: \$13.50
198. *The First Elizabeth* Carolyn Erickson
Hardcover: \$19.95 QPB: \$7.95
249. *Testing the Current* William McPherson
Hardcover: \$15.95 QPB Ed: \$7.95
625. *Late Night Thoughts on Listening to Mahler's Ninth Symphony.* Lewis Thomas
Hardcover: \$12.95 QPB: \$5.95
179. *Calvino Set: If on a Winter's Night a Traveler, Invisible Cities, The Baron in the Trees.* (3 Vols., Boxed) Italo Calvino. QPB Ed: \$10.95
153. *Landscapes of the Night* How and Why We Dream. Christopher Evans. Edited by Peter Evans
Hardcover: \$16.95 QPB Ed: \$7.95
275. *Jane Fonda's Workout Book* Hardcover: \$19.95 QPB: \$7.95
510. *Frames of Mind* The Theory of Multiple Intelligences. Howard Gardner
Hardcover: \$23.50 QPB Ed: \$9.95
282. *Irwin Shaw Short Stories* Five Decades.
Hardcover: \$16.95 QPB Ed: \$9.95
297. *Dinner at the Homesick Restaurant and Morgan's Passing* (2 Vols.) Anne Tyler
Hardcovers: \$23.45 QPB Ed: \$10.95
333. *You've Got It Made* Marian Burros
Hardcover: \$13.95 QPB Ed: \$6.95
160. *The Constitution: That Delicate Balance.* Fred W. Friendly and Martha J. H. Elliot
Hardcover: \$17.95 QPB: \$6.95

609. *Doonesbury Dossier* The Reagan Years. G. B. Trudeau. With an Introduction by Gloria Steinem
Hardcover: \$22.95 QPB: \$9.95

406. *Street Smart Investing* A Price and Value Approach to Stock Market Profits. George B. Clairmont and Kiril Sokoloff
Hardcover: \$16.95 QPB: \$5.95

Join now. Pick any 3 books or sets for \$1 each—with no obligation to buy another book.

How membership works.

1. You receive the QPB Review 15 times each year (about every 3½ weeks). Each issue reviews a new Selection, plus scores of Alternates.
2. If you want the Selection do nothing. It will be shipped to you automatically. If you want one or more Alternate books—or no book at all—indicate your decision on the Reply Form always enclosed and return it by the date specified.
3. **Bonus books for Bonus Points.** For each softcover book or set you take (except for the books in this offer), you earn Bonus Points which entitle you to choose any of our softcover books. You pay only shipping and handling charges.
4. **Return privilege.** If the QPB Review is delayed and you receive the Selection without having had 10 days to notify us, you may return it for credit at our expense.
5. **Cancellations.** You may cancel membership at any time by notifying QPB. We may cancel your membership if you elect not to buy and pay for at least one book in every six-month period.

Let's try each other for 6 months.

Quality Paperback Book Club®, Middletown, Pa. 17057. Please enroll me in QPB and send the 3 choices I've listed below, billing me only \$1 each, plus shipping and handling charges. I understand that I am not required to buy another book. You will send me the QPB Review (if my account is in good standing) for six months. If I have not bought and paid for at least one book in every six-month period, you may cancel my membership. A shipping and handling charge is added to each shipment.

Indicate by number the 3 books or sets you want.

Name _____ (Please print clearly) 4-16 QPB-12

Address _____ Apt. _____

City _____ State _____ Zip _____

Prices generally higher in Canada.



The first book club for smart people who aren't rich.

place in Grenada after the coup in the spring of 1979, little need be added to the extensive exchanges between Michael Massing and others, including myself. They speak for themselves.

However, I do want it a matter of record that despite the great importance Mr. Massing attaches to my April 10 meeting with Prime Minister Bishop, at no time did he attempt to verify with me his version, which is seriously flawed, of that event. I have found no responsible officials in the Department of State who have any recollection of Mr. Massing's speaking with them concerning the subject of his article.

FRANK V. ORTIZ
*Ambassador, U.S. Embassy
Buenos Aires, Argentina*

Michael Massing replies:

Mr. Ortiz is tireless. For the record, I regret my oversight in not having contacted Mr. Ortiz, who left his post in Barbados in 1979. I reiterate that my account was based on a wide variety of official and nonofficial sources. I strenuously object to Mr. Ortiz's insinuation that I made up official sources for my article. One of those sources, Mr. Ortiz's successor as ambassador to the Eastern Caribbean, is quoted by name in my article. I talked to others on the condition that I not identify them, and I would not be at all surprised if they failed to volunteer this to Mr. Ortiz in the event that he asked them.

ADVICE & CONSENT

Jeffrey E. Garten says in "A Bipartisan Foreign Policy" (August *Atlantic*): "From 1950 to 1953 the China-Formosa-Korea tangle pitted President Truman against former President Hoover and other prominent Republicans. The arguments were basic: whether to contain communism in Asia by means of a limited war in Korea or by risking an all-out conflict with China. Truman, Dean Acheson, and other mainstream Democrats argued strongly for restraint. The Republicans were of two minds: one faction, led by Hoover, wanted to withdraw from Asia altogether; the other, led by Senator Joseph McCarthy, accused the Democrats of being soft on communism."

That statement, insofar as it involves former President Hoover, is totally inaccurate. As President, Truman was never "pitted" against Hoover, nor was Hoo-

ver ever pitted against him. Actually, the two men came to like and admire each other.

In 1946 Truman brought Hoover out of retirement and made him the chairman of the Famine Emergency Committee, in which capacity the former President visited twenty-five countries in Europe and Asia to survey food needs and to develop ways and means of supplying food to hungry people in those areas—a job he had done well at the end of the First World War. Later Truman appointed Hoover the head of the Commission on the Organization of the Executive Branch of the Government, a position he held from 1947 through 1951. He served as the chairman of a second "Hoover Commission" in the period 1953 to 1955.

HARRY W. HENDERSON
Bethesda, Md.

Holly Brubach's "Stopping at the Savoy" (September *Atlantic*) reminded me of a story I heard from an American executive of a corporation I once worked for.

This individual during the Second World War was an officer on General Eisenhower's staff, and when assigned to London was billeted at the Savoy. He and other American officers had been invited to a reception, and the evening of the event turned out to be one when V-2 bombs were raining on London and thousands of fires could be seen burning.

In the midst of it all the American approached the Savoy's concierge about having his class A uniform pressed before going out to the reception. The concierge said he was sorry but that under the circumstances he could not fulfill the request.

Twenty-five years later the same individual, now a senior corporate executive, was back in London and once again staying at the Savoy. To his surprise he recognized the concierge as the very same man he had dealt with that hellish night during the war.

He approached the concierge and asked him, "Do you remember me?" To which the concierge, without arching an eyebrow, replied, "Did you ever get your uniform pressed, sir?"

MARC RAZMAN
Boulder, Colo.

The cover of the September, 1984, issue is very well done—the composition and colors are fine.

This is probably nitpicking in the first degree, but I am disappointed that the artist showed the roof pitch as 8/12, when it is obviously 12/12. "*Ne sutor ultra crepidam.*"

WILLIAM E. EVE
Augusta, Ga.

Mr. Eve is, of course, correct. On the other hand, "*Non enim omnis error stultitia dicenda est.*"

—THE EDITORS

James Fallows's article "Endless Spending," in the April issue, was right on target. However, the retirement cost figures dreamed up by L. J. Andolsek, the president of the National Association of Retired Federal Employees, in his letter (August issue) were pure budget baloney.

We have a trillion-dollar federal-pension bomb ticking in Washington today that is about to explode in the taxpayers' wallet. Based on professional actuarial reports from the Office of Personnel Management and the General Accounting Office, here are some of the facts. The actuarial deficits or unfunded liabilities as of 1984 are: for the civil-service retirement system, \$528 billion; for the military retirement system, \$709 billion; total, \$1,237 billion.

And the total excludes about thirty-six other federal pension or retirement systems (Social Security, Veterans' Disability and Compensation, Foreign Service, CIA, Presidential, Coal Miners, Black Lung, Railroad Retirement, Public Health, and so forth). We estimate that the government-wide total for all pension systems is now more than \$7 trillion in actuarial deficits.

We agree with the Grace Report that "federal pension programs are more generous than any others ever devised." No wonder that we now have about thirty-five "pension millionaires" in Congress. When the approximately 172,000 double-dippers (those collecting dual compensation in the form of a government salary and a government pension) now on the federal payroll are included, we estimate that there are more than 1,500 federal "pension millionaires."

Without drastic reforms, the American taxpayer will never be able to "retire" from paying for this trillion-dollar ocean of red ink.

SID TAYLOR
*Research Director
National Taxpayers Union
Washington, D.C.*

Stolichnaya

The Vodka. The Gift.



You can send a gift of Stolichnaya Vodka anywhere* by phone through Nationwide Gift Liquor.
Call Toll Free 1-800-CHEER-UP (Arizona 602-957-4923).

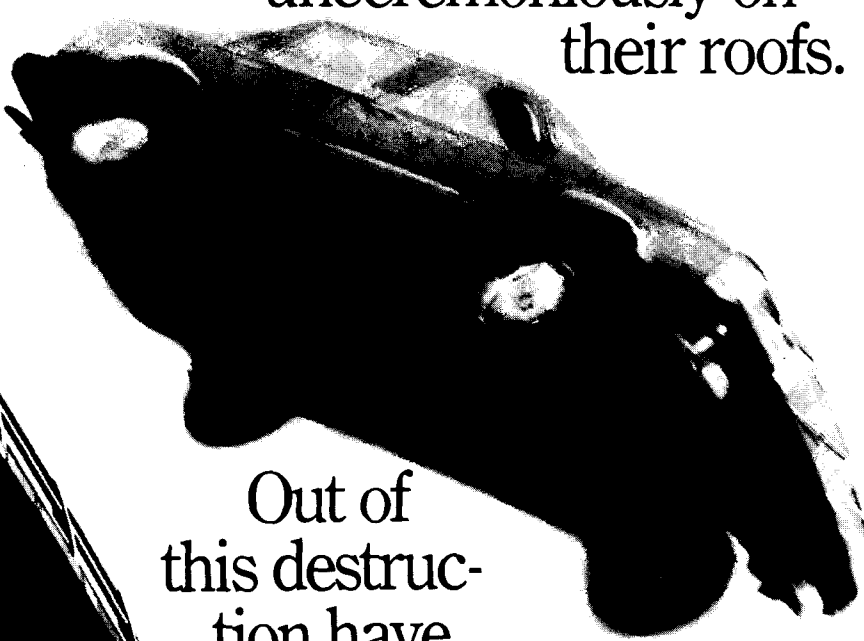
*Stolichnaya Vodka is available in 40, 50, 80 and 100 proof. Stolichnaya Vodka 80 and 100 proof, distilled from grain. Imported by Monsieur Henri Wines, Ltd., White Plains, NY 10604.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A step beyc

When it comes to the organized destruction of automobiles, no one is more dedicated than Volvo.

In crash tests spanning decades, we've rear-ended Volvos, front-ended Volvos, side-swiped them, wrapped them around poles, rolled them over, and dropped them unceremoniously on their roofs.



Out of this destruction have emerged some of the most constructive ideas in the history of automotive safety: 3-point seat belts,* laminated safety

nd in safety.

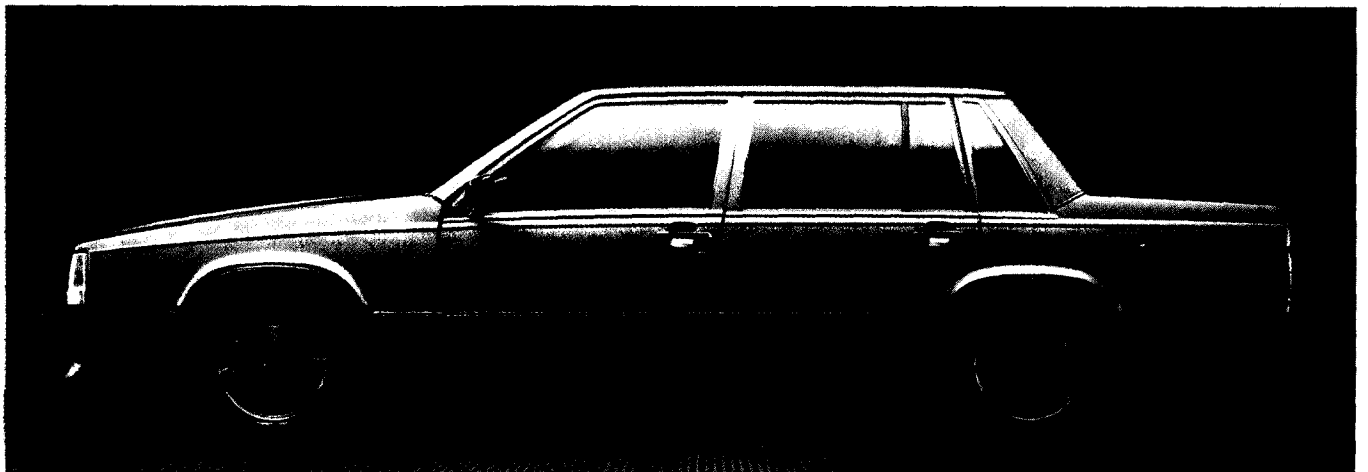
glass, back-up braking systems, to name just a few. Today, these Volvo innovations are required by law on all cars.

In designing the Volvo 760 GLE, Volvo engineers have taken one more giant leap forward. Literally. They plunged five 760s off a loading dock to a concrete floor 45 feet below.

What we learned from the dummies strapped inside, together with data collected from hundreds of other crash tests, have helped make the Volvo 760 GLE a car that even our safety engineers are impressed with. And as you might imagine, that's one group that's not easily impressed.

*We would like to remind you that a seat belt can't save your life if you don't use it. Buckle up!

© 1984 VOLVO OF AMERICA CORPORATION.



The 700 Series by Volvo



REPORTS & COMMENT

TRADE THE OPENING OF CHINA BY ZHAO ZIYANG

CHINA USED TO BE regarded as a "closed" country. But to close the country to the outside world was against the will of the Chinese people.

When the People's Republic was founded, thirty-five years ago, the Chinese government declared to the world that one of China's basic policies for economic development was to develop external exchanges.

Regrettably, however, that position of the Chinese government failed to receive due response. On the contrary, in the 1950s and 1960s certain big powers, one after another, pursued policies of containment or blockade against China. As a result of this unfavorable international environment import-export trade accounted for a very low percentage of China's gross national product over a long period of time, and the Chinese people could not but carry out national construction in virtual isolation. Still, great successes were achieved. This in turn strengthened the view of some people in China that economic and technological exchanges with foreign countries were of little value—a view that prevailed during the decade after 1966.

In the more than thirty years since the establishment of the People's Republic, facts have refuted these erroneous policies and views. The policies of blockade and containment designed to curb China's modernization were found to be unwise by more and more people

abroad. To refuse to have dealings with the one billion people of China was, in fact, to bar oneself from a huge market. Within China government functionaries and ordinary people have come to realize the correctness and necessity of opening the country to the outside world, which has been made an unshakable policy guiding China's economic development.

The end of the 1970s marked a turning point for China. In the thirty years from 1950 through 1979 the value of China's import-export trade averaged only about ten percent of the national income. (It was 9.8 percent in 1950 and 12.2 percent in 1959. The percentage dropped to 6.6 percent in 1969 and went up to 13.6 percent in 1979.) However, great changes took place over the next four years—by 1983 the percentage had increased to 18. Today foreign capital used by China has reached \$14.6 billion a year, which accounts for 15 percent of the total capital construction investment of China's sixth Five-Year Plan (1981–1985). In the four years from 1980 through 1983 China's national income increased by 32 percent, while its import-export trade rose by 57 percent. This shows that since the beginning of the 1980s the rate of increase in China's economic and technical cooperation with foreign countries has surpassed that of its domestic production. This trend will continue.

Like the policy of invigorating the domestic economy, the policy of opening to the outside world has helped and will continue to help China's economic development. The reforms called for by both policies have given a strong impetus to China's modernization drive.

Not long ago, in my address to the Royal Institute of International Relations, in Belgium, I made the following points:

—The policy of opening to the outside world is a long-term, basic national policy of China, designed to rejuvenate the country and enrich our people.

—In a sense, the growth of China's national economy will mean expansion of China's economic cooperation with foreign countries.

—As our guideline, we will not retreat from but will press ahead with the policy of opening to the outside world. We will not stop where we are but will go still further. China's already open door will never be closed but will be opened still wider. Along with advances in China's modernization, ties between the Chinese market and the world market will grow stronger. Economic and technological exchanges between China and foreign countries will increase in both range and quality.

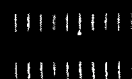
These observations have proved true to the reality.

Some foreign friends have doubts as to whether China will persist in this opening-up policy. They still want to wait and see. They are welcome to do so. I wish to point out here that as long as a policy conforms with the laws of history, contributes to the growth of socially productive forces, and can bring practical benefits to the people, it will be vital and resistant to any attempt to alter it—in other words, irreversible.

In view of the experience we have gained over the past thirty years or more, it is no longer a question among the Chinese people as to whether China should open up to the outside world. What we are exploring right now is how to proceed with it more actively, more fruitfully, and in bigger strides. Early this year the Chinese government made a decision to open up fourteen more coastal cities in East and South China as well as Hainan Island. The fourteen cities, in-



Betamax



Beta

SONY

Now playing. Hundreds of Hi-Fi movies VHS doesn't have.

Watching prerecorded movies on a hi-fi videocassette recorder is like watching them in a theatre. The problem is, VHS recorders have very few hi-fi movies—and what good is a theatre if nothing's playing?

Well, there's always something playing on Sony Beta Hi-Fi™. You can get over 700 prerecorded Beta Hi-Fi movies, concerts and Video 45™ music videos, including virtually every videocassette on *Billboard* Magazine's Videocassette Top 40 charts.

Sony doesn't just give you great movies. You get incredible video and audio. One reason is our simpler technology. For example, VHS needs seven audio/video heads to do what Sony does with only three —

and Sony still does it better. Turn on a Beta Hi-Fi, and you'll see a picture that's sharper than VHS. And you'll hear a clearer, richer sound—sound that's better than conventional VCR's, better than AM or FM stereo broadcasts, stereo LP's, stereo cassettes or reel-to-reels. Even VHS Hi-Fi can't beat our sound.

VHS has another problem. As the *New York Times* reports, "...VHS Hi-Fi is still beset by growing pains. ... VHS Hi-Fi cassettes recorded on one brand of VCR may not always play back properly on another." But you can use any Beta Hi-Fi tape on any Beta deck.



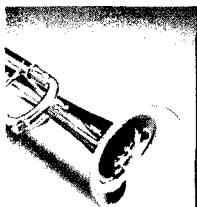
Sony is ahead of VHS in still another area—the future. When we introduced hi-fi VCR's two years ago, we had the foresight to make ours with stereo recording circuitry—a terrific feature to have now that TV stations have begun broadcasting in stereo. And even though VHS finally has hi-fi now, most still don't have stereo recording circuitry. And that's just one way we're staying ahead of the competition.

If you want the most in hi-fi entertainment, it's playing now on Beta Hi-Fi.

SONY
THE ONE AND ONLY™

Sony is a registered trademark of Sony Corporation.
Beta Hi-Fi is a trademark of Sony Corporation.
Video 45 and The One and Only are trademarks of
Sony Corporation of America.
RAIDERS OF THE LOST ARK © 1981 Lucasfilm Ltd.

Simulated TV Picture



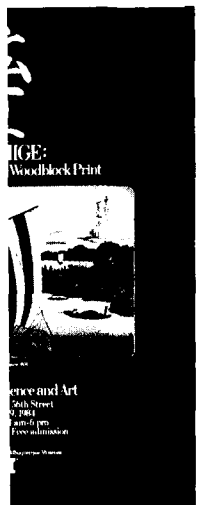
On November 15, 1983, the new definition of the word "processor" will be in effect. The new definition will make the processor the central element of the computer system. The processor will be the central element of the computer system. The processor will be the central element of the computer system.

A Tribute to Louis Armstrong[®]
8 P.M. on Channel 13.

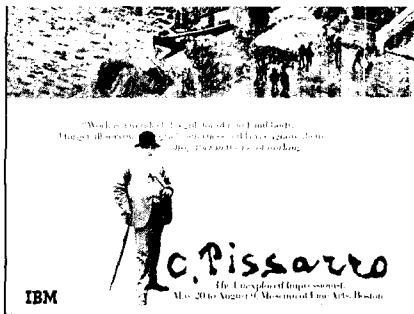


142

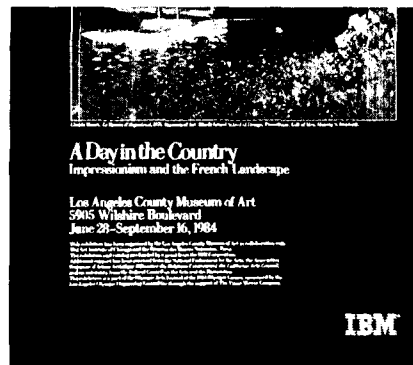
Page 11



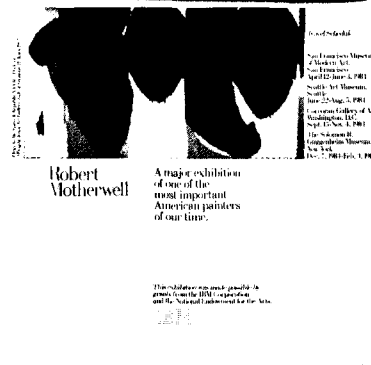
ence and Art
36th Street
NY, 10018
1 am-6 pm
Free admission



IBM



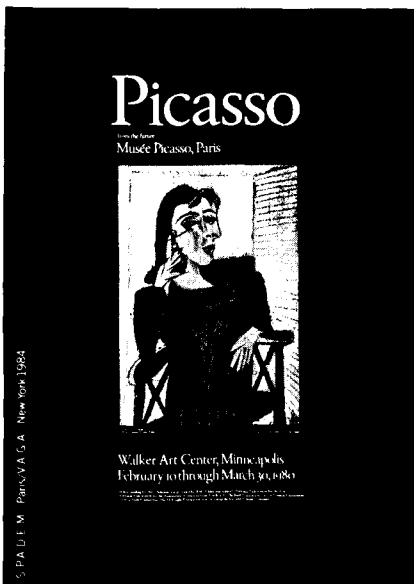
IBM

Robert
Motherwell

A major exhibition
of one of the
most important
American painters
of our time.

This exhibition was made possible by grants from the IBM Corporation and the National Endowment for the Arts.

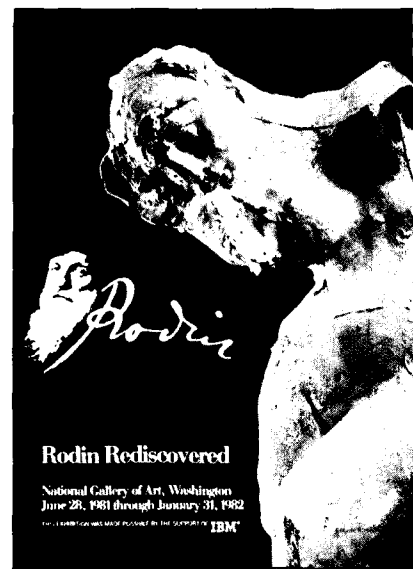
1. *Journal of the American Medical Association*, 1997; 277: 1033-1036.



SPADE M. Paris: VAG A New York 1984.



...
ation
works

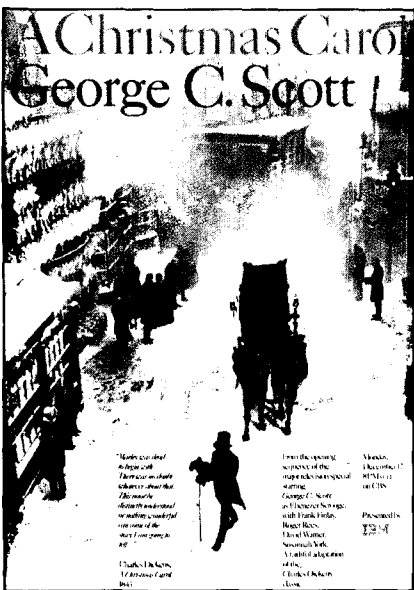


Rodin Rediscovered

National Gallery of Art, Washington
June 28, 1981 through January 31, 1982

THIS RESEARCH WAS MADE POSSIBLE BY THE SUPPORT OF **IBM**

IBM



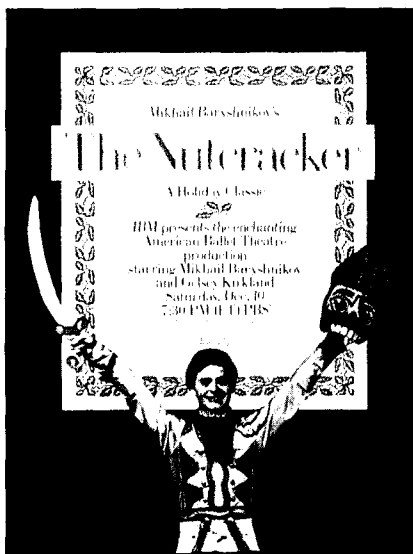
"Wonder was about
to begin with
There was an echo
somewhere about that.
This must be
because the world is not
or nothing would be
the cause of the
very I was going to
all."

Charles E. Harris
University of Maryland
USA

From the opening
seconds of the
superhero movie
starting
George C. Scott
as Phineas Fogg
with Frank Finlay,
Robert Ross,
Glen Watkinson,
Newman York.

A critical adaptation
of the
Chomsky hierarchy
is shown.

Presented by:

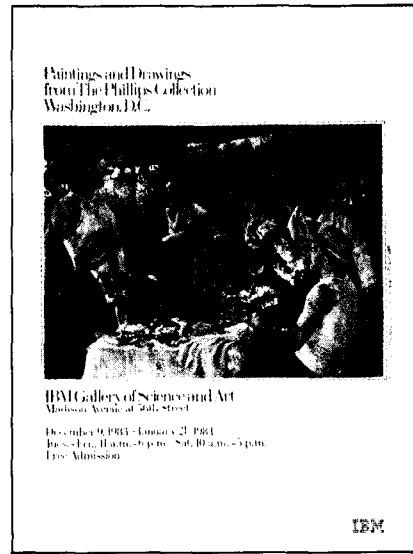


Mikhail Baryshnikov:

The Antitracker

Akkadicaal en Sumerisch

HMM presents the enchanting
American Ballet Theatre
production
starring Mikhail Baryshnikov
and Onley Kirkland
Saturday, Dec. 10
7:30 PM • 11:00 PM

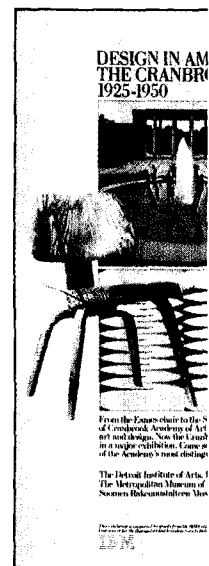
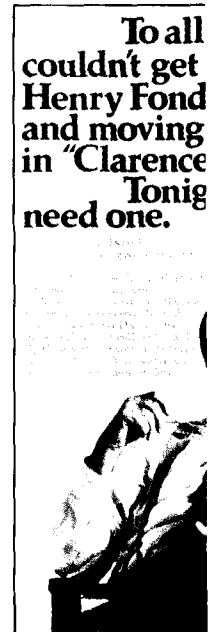
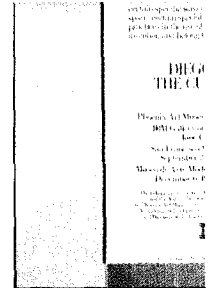


Paintings and Drawings
from The Phillips Collection
Washington, D.C.

IBM Gallery of Science and Art
Madison Avenue at 76th Street

The number of people taking part in the
the survey (e.g., H.A.M.S. = 800; S.H.I.P. = 700).
Type Admission

15N



We're also interested in computers.

These are some of the many art exhibitions, musical events, and television specials that IBM has supported over the years. Which goes to show that a company known for state-of-the-art technology can also be interested in the state of the arts.



**THE COORDINATING COUNCIL
OF LITERARY MAGAZINES
ANNOUNCES THE WINNERS OF
THE 1984 GENERAL ELECTRIC
FOUNDATION AWARDS
FOR YOUNGER WRITERS:**

JOHN GODFREY
for poetry
published in
GANDHABBA, New York,
and **MAG CITY**, New York.

PAUL HOOVER
for poetry
published in
ANOTHER CHICAGO MAGAZINE,
Chicago.

MICHELLE HUNEVEN
for the short story
"The Foot"
published in **WILLOW SPRINGS**,
Cheney, Washington.

TAMA JANOWITZ
for the short stories "Demons"
and "Ode to Heroine of the Future"
published in **MISSISSIPPI REVIEW**,
Hattiesburg, Mississippi.

MARGO JEFFERSON
for the literary essay
"Self Made"
published in
GRAND STREET, New York.

RUDY WILSON
for the short story
"Impressions"
published in
THE PARIS REVIEW, New York.

The awards recognize excellence
in new writers while honoring
the significant contribution
of America's literary magazines.

This year's judges were
Doris Grumbach,

Elizabeth Hardwick, Kenneth Koch,
James Alan McPherson and Gary Soto.

For information about
**THE GENERAL ELECTRIC
FOUNDATION AWARDS
FOR YOUNGER WRITERS**,
please write to:

CCLM
2 Park Avenue, New York 10016.

cluding Tianjin, Shanghai, and Guangzhou, have an aggregate population of more than 70 million and represent China's most-developed areas economically and culturally. Easily accessible, these cities have already built up a rather good foundation and achieved a fair work efficiency; thus they are able to provide foreign businessmen with all kinds of facilities and preferential terms. This is a major policy decision. Good progress in opening up these areas to the outside world will not only accelerate the development of the Bohai Bay, the Changjiang (Yangtze) River delta, the Zhujiang (Pearl) River delta, and other parts of East China but also create better conditions for further development of Central and West China.

China is ready to develop trade with all countries on a basis of equality and mutual benefit, to import advanced technology and key equipment from abroad, to draw on foreign management experience, and to make use of foreign

funds—all for the purpose of speeding up China's modernization. The United States is naturally included. There exists a profound friendship between the Chinese and American peoples. American entrepreneurs are welcome to do business in China, making investments, running factories, and entering into competition. In these exchanges American entrepreneurs will find that it is profitable to do business in China and that the Chinese people keep good faith. China and the United States, being respectively the largest developing country and the largest developed country in the world, have their own economic advantages and can help supply each other's needs in many fields. There are undoubtedly very broad prospects for Sino-U.S. economic and technological exchanges as long as each side makes its due efforts.

Zhao Ziyang is the premier of the People's Republic of China.

A RESPONSE

THE PREMIER OF the People's Republic of China, Zhao Ziyang, wrote the statement above at the invitation of *The Atlantic*. He chose the subject of China's trade with the West from a list of topics suggested by the magazine. In his statement Premier Zhao is seeking to vouchsafe the durability and reliability of his country's policies and leadership in an effort to encourage foreign commerce, investment, and technological exchange. He is seeking to allay the concerns of foreigners that China's foreign and domestic political relations might be fragile. Whether the subject of discussion is the future of Hong Kong or foreign investment in joint ventures, China must convince foreigners, indeed itself, that the shadow of the Cultural Revolution can be lifted, that the disastrous disruptions and extreme uncertainties of the 1950s, 1960s, and 1970s are at an end.

Within China's leadership there is surely considerable frustration, even anger, that China must defend its political credibility, especially to foreigners. Self-respect and face are affected by having to do so. That Premier Zhao

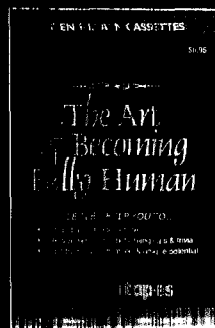
has made this statement for an American publication suggests both the seriousness with which the Chinese leadership is responding to the concerns of foreign business about China's continued stability and the urgency that Beijing attaches to the encouragement of foreign commercial and financial confidence.

Premier Zhao is circumspect: he makes no reference to Chairman Mao, for example, in discussing the past thirty years. And he considerably simplifies the history of those years, placing the blame for the "curb" on China's modernization almost entirely on the shoulders of foreign policies of blockade and containment, and playing down China's own domestic politics.

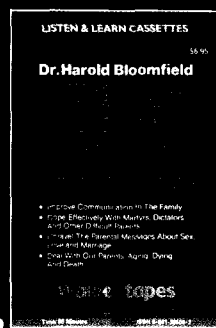
Nevertheless, the Premier's statement is important because it is a fairly open admission by Beijing that it must testify to foreigners as to its stability and reliability. That admission is quite significant within the context of Chinese politics, and considering that context, more substantial assurances are probably not at present possible.

—Patrick G. Maddox

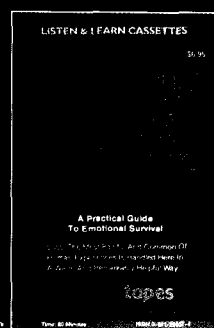
Patrick G. Maddox is the associate director of the John King Fairbank Center for East Asian Research at Harvard University.



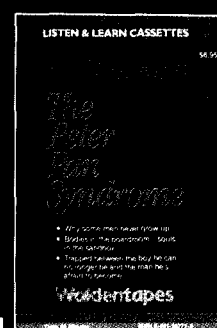
a



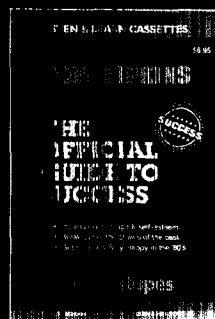
b



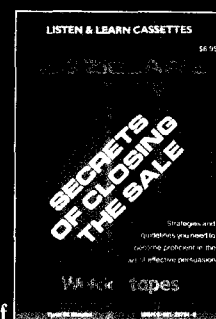
c



d



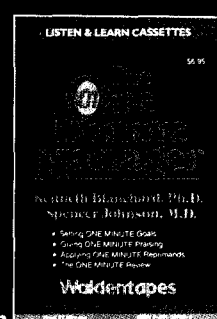
e



f



g



h

To the newest perceptions on growth and insight — a) Leo Buscaglia shows you how to explore and share your human potential. b) Dr. Bloomfield's guidelines for making peace with those closest to you. c) Sensitive, helpful ways to survive life's hardest losses. c) An insightful look at men who refuse to grow up.

To the latest tips and guidelines to success — e) Proven techniques for becoming one of life's winners. f) Zig Ziglar shares his secrets of super salesmanship. g) Zig Ziglar's motivational guidelines for setting and reaching goals and building a successful image. h) Three easy-to-learn management techniques that can change your working life.

Audio at Waldenbooks

Check the yellow pages for the one nearest you!



Bourbon and
ginger ale



Gin on
the rocks



Vodka
and tonic



Vodka
Bloody Mary

You need Vodka, Gin, Bourbon, Blends



Rum and
ginger ale



Rum on
the rocks



Rum and
tonic



Rum
Bloody Mary

You only need Puerto Rican White and

Begin with Puerto Rican white and gold rums and you can make a wonderful variety of drinks.

Nothing tastes like them on the rocks. Nothing mixes quite like them, either.

Maybe that's why people everywhere are moving from vodka and gin to Puerto Rican white rum.

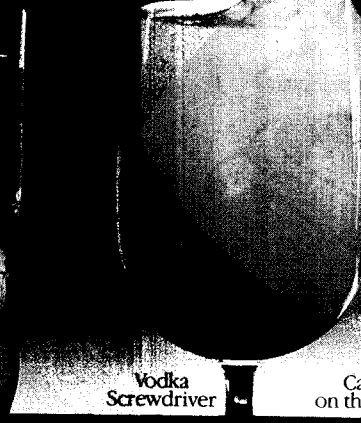
From bourbon, blends and Canadian to Puerto Rican gold rum.

Whether it be on the rocks, or with tonic, soda, ginger ale, in a Bloody Mary or as a Screwdriver, Puerto Rican rums have a lightness that people prefer.

Puerto Rico has been making quality rums for



Blend
and 7-UP



Vodka
Screwdriver



Canadian
on the rocks

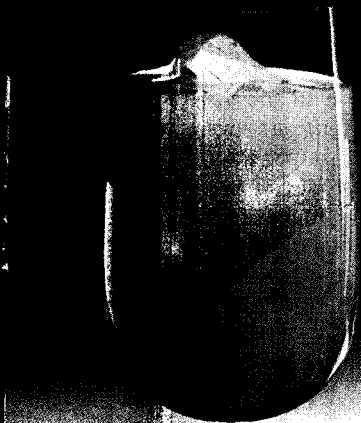


Gin and
tonic

and Canadian to make all these drinks.



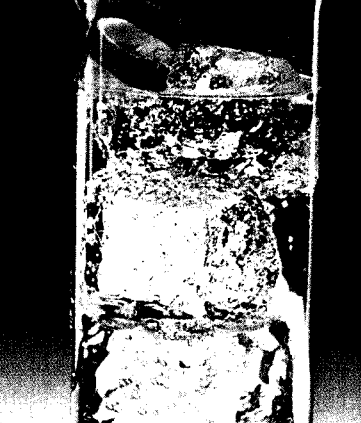
Rum
and 7-UP



Rum
Screwdriver



Rum on
the rocks



Rum and
tonic

Gold Rums to make the same drinks.

almost five centuries. Our specialized skills and dedication have always produced rums of exceptional dryness and purity.

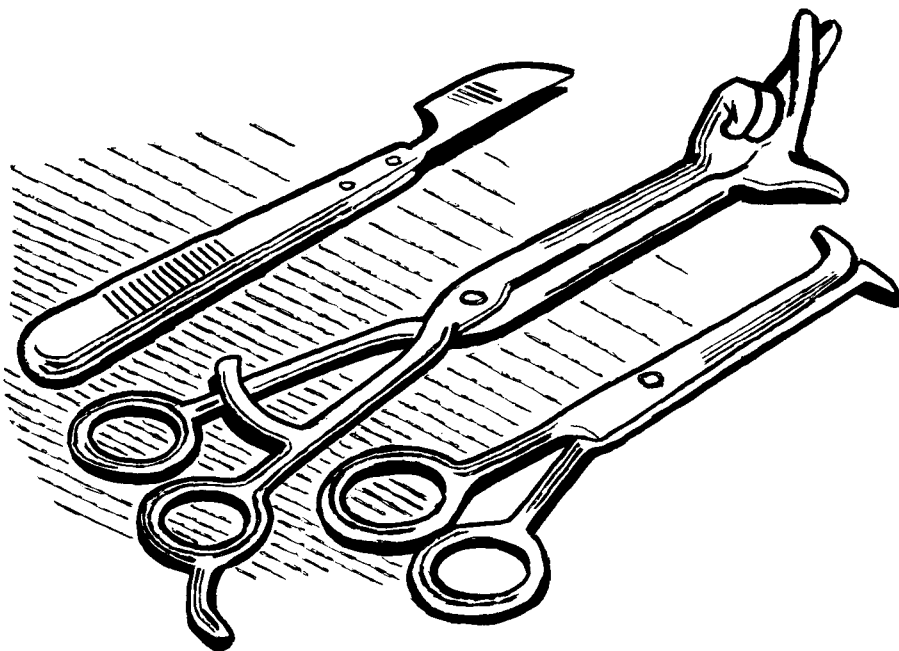
No wonder 86% of the rum sold in the United States comes from Puerto Rico.

So why not simplify your liquor cabinet while

you diversify your drinks? Make the move so many people are making to the smooth, dry, pure rums of Puerto Rico.

RUMS OF PUERTO RICO





MEDICINE

MARKETING AN OPERATION

Coronary-bypass surgery, a practitioner argues, is overused, ineffective, and absurdly expensive

CORONARY-BYPASS surgery consumes more of our medical dollar than any other treatment or procedure. Although it is performed less frequently than the most common abdominal and gynecological operations, it is the leader in terms of equipment and personnel, hospital space, and total associated revenues. The operation is heralded by the popular press, aggrandized by the medical profession, and actively sought by the consuming public. It is the epitome of modern medical technology. Yet as it is now practiced, its net effect on the nation's health is probably negative. The operation does not cure patients, it is scandalously overused, and its high cost drains resources from other areas of need.

Fully half of the bypass operations performed in the United States are unnecessary. A decade of scientific study has shown that except in certain well-defined situations, bypass surgery does not save lives, or even prevent heart attacks: among patients who suffer from coronary-artery disease, those who are treated without surgery enjoy the same survival rates as those who undergo open-heart surgery. Yet many American

physicians continue to prescribe surgery immediately upon the appearance of angina, or chest pain.

The concept of bypassing an obstructed artery to restore blood flow is simple enough for any eighth-grader to comprehend. In fact, for years before the advent of the coronary-bypass operation surgeons had performed similar operations on the larger arteries in the legs, using long, thin, artificial pipelines to carry blood from a point in front of to a point beyond an obstruction in the artery. Though the bypasses put into legs often became blocked themselves after a few years, such surgery produced two real benefits: it relieved pain in legs that were not getting enough blood, and it restored strength to legs that had been nearly useless. We can easily see why physicians thought, by extrapolation, that bypassing defective coronary arteries would produce equivalent results.

So strong was the analogy to leg surgery, and so compelling the hope of restoring diseased hearts, that physicians immediately embraced the idea of coronary-bypass surgery when the procedure was introduced, in 1967—even though no evidence of its benefits was yet available. By 1969 the procedure was being performed at most of the nation's major medical centers. A few physicians cautioned against an untested and unproven therapy, but most simply took it on faith that the operation would relieve angina, prevent heart attacks, and prolong life. Calls for scientific studies of the operation's efficacy were rejected as unnecessary, and cardiologists and surgeons

refused, as unethical, to withhold surgery from some patients so that comparative studies could be made, because they "knew" that those patients would die without the surgery. Meanwhile, proponents claimed in medical reports that patients who had bypass surgery were restored to normal, or even better than normal, life expectancy. Such was the depth of the conviction.

Of the 13,000 Americans on whom coronary-bypass operations were performed in 1970, at least eight percent died as a result of the surgery. (Only one to three percent now die, owing to technical refinements.) The assumption at the time was that a far greater number would have died if they had been given only the nonsurgical treatment then available. We will never know whether that was true, but in my opinion they would have lived longer, on the average, without the surgery. Meanwhile, surgical-training programs expanded rapidly, open-heart surgical facilities were developed in most large general hospitals, and the number of bypass operations performed each year grew steadily—reaching 60,000 by 1975.

Many of these were performed on patients who had what is known in the medical business as "unstable angina"—chest pain of recent onset or unusual severity. The category was broad enough to take in thousands of patients who reported no more than an increase in chest pain. Some physicians, mistakenly assuming that these patients were on the verge of death, declared them medical emergencies. Patients who reported a few episodes of chest discomfort, or who had chest pain when resting, were sent to surgery as soon as an operating room was available.

In 1977 the Veterans Administration reported a study showing that bypass surgery caused no decrease in average annual mortality among patients with ordinary angina unless they happened to be suffering from an obstruction of the left main coronary artery, a particularly severe form of heart disease. This was a scientific study, using controls for an impartial comparison, in contrast to many studies using no controls that had appeared in medical journals and that supported the practice. But bypass advocates blamed the results on the ineptitude of VA surgeons, even though the percentage of VA patients who died in surgery was below the national average. In 1978 researchers for the National Institutes of Health completed a similar

Celebrity Eurosport

Alter your ego.

That wedge-shaped streak of silver and black is a 1985 Eurosport. A front-drive sports sedan with the look of a winner. And the performance to back it up.

Its available Multi-Port Fuel-Injected V6 can put you at 50 MPH in 7.1 seconds. Yet its refined interior will make you comfortable behind the wheel. As will Eurosport's gas-charged struts, shocks and hydraulic engine-mounting system, all designed to help reduce noise and suspension stress. And the stress on you.

If your life-style's cramped by a car you've outgrown, move up to Eurosport. A Chevrolet Celebrity that will alter your idea of what your next car can be.

Not to mention alter your ego.

And at your Chevrolet dealer's, financing or leasing your new Celebrity is as easy as saying GMAC.

Chevrolets are equipped with engines produced at facilities operated by GM car groups, subsidiaries or affiliated companies worldwide.



Let's get it together...buckle up.



TODAY'S CHEVROLET

study, randomly assigning patients with unstable angina to either surgery or non-surgery; their findings mirrored those of the VA experiment. No difference could be determined in rates of survival between the two groups—in other words, the cases were not real emergencies, as had been assumed, and heroic surgery was not saving lives. Again, the results were largely ignored by the medical community. *Cardiologists kept prescribing immediate surgery for patients with unstable angina, and the explosive growth of the bypass business continued unabated.* By 1983 the annual number of operations in the United States had soared to 191,000. Projections place the 1984 total at more than 200,000.

PATIENTS WHO ARE given the bypass operation “to prolong life” fall into four major groups, only one of which has ever been shown to gain the promised result. The first is those who suffer no symptoms at all. Such people may seem unlikely to end up on the operating table, but in fact many do. Typical would be the fifty-five-year-old whose family doctor detects a slight abnormality on the electrocardiogram during a routine checkup. If an exercise stress test seems to confirm the abnormality, the doctor will refer the patient to a cardiologist for coronary angiography. And if the angiogram shows partial blockage of one or more of the three major arteries feeding the heart, the cardiologist may well recommend surgery, explaining to the patient that should one of these arteries become blocked, he’ll have a heart attack and might die. So the patient submits to a bypass operation, after which he tells his friends at the health club how lucky he is to be alive. Those who see him jogging marvel at the sight. Unfortunately, not a shred of scientific evidence indicates that members of this group benefit from surgery; the operation may, in fact, cause such patients harm.

A second likely candidate for bypass surgery is the patient who has just suffered or recovered from a heart attack. Some cardiologists recommend the operation for all such patients, hoping that it will protect against another heart attack or sudden death. This policy is utterly unsupported by hard evidence. Two separate studies—one from the National Institutes of Health (1983) and one by researchers in New Zealand (1981)—have found no decrease in later

heart attacks among patients who receive bypass surgery after suffering one. In neither study did patients who received the operation live longer than those who went without it.

A third contender for the scalpel is the patient who appears to be *having* a heart attack. The signs of an impending heart attack are notoriously unreliable—about two out of three patients admitted to hospitals for possible heart attacks turn out not to have had them. Bypass surgery cannot possibly help those who aren’t having heart attacks. But what of those patients who are? Most physicians oppose surgery at such a critical stage, since new medicines for dissolving the clot that causes the heart attack are more effective, and avoid the risks of surgery. Yet the operation is commonly performed in some communities. Whether patients who undergo surgery during a heart attack survive because of it or in spite of it is unknown.

About 11 percent of all bypass operations are performed on heart patients for whom surgery clearly prolongs life—those suffering an obstruction of the left main coronary artery. The National Institutes of Health published data in 1983—the most extensive and statistically meaningful to date—in support of this finding. Another ten percent of patients, who have obstructions of all three major coronary arteries plus a weakened heart muscle, might have some extension of life owing to surgery, but we won’t know if this is so until many more years have passed. The same study found that surgery does not prolong life for patients in the other categories. For the seven years since the VA broke the news, then, evidence has been mounting in opposition to the widely held belief that bypass surgery prevents heart attacks and saves lives. Given the number of historical precedents, we should not be surprised to find the medical profession attached to an incorrect belief, but why does the belief persist even after scientific studies demonstrate that it is wrong? As the authors of the latest NIH study concluded, with wonderful understatement, “when findings oppose generally accepted views, one can expect a large amount of criticism.”

Mortality statistics aside, bypass surgery is widely believed to relieve chest pain, and this is now the reason most commonly given for performing the operation. Virtually all medical studies find an enhanced “quality of life” among patients who have had bypass surgery. In

response to questionnaires, and especially to physicians’ direct inquiries, they give responses like “I haven’t felt so well in ten years” and “I can do four times as much as I could before the operation.” I have patients whose improvement has been startling, and undoubtedly due to the surgery. Others are clearly worse than they were before surgery. But the testimonials are troubling. *Various operations and medicines have claimed equally dramatic results over the past four decades—only to be proved useless later on.* Could bypass surgery be just another placebo? Quite possibly. Consider the testimony of patients whose vein grafts have ceased to function after the operation. More than a hundred such cases have been identified. Yet before finding out that their bypasses were blocked, these patients reported the same amelioration of symptoms as those who had had successful operations.

WHATEVER THE proportion of actual to imagined benefit, the boom in coronary-bypass surgery created a need for more manpower in the operating room, which led to an increase in the number of slots in cardiac-surgery training programs. By the mid-1970s the number of surgeons trained to do bypass surgery was increasing at a rate of ten to 15 percent each year, and as these new surgeons sought out suitable locales to practice their trade, the number of hospitals doing cardiac surgery just about doubled. Almost every small city in America now has a surgical team competing with the older referral centers, and any hospital aspiring to be a “complete medical center” seeks to have a team of its own—not just for prestige but because the operation is the biggest revenue-producer in the health field. As a result, the procedure has taken on a life of its own. It is not so much the public’s health as the profession’s wealth that now dictates its use.

The average cardiac surgeon’s fee in the United States is between \$4,500 and \$5,000 per bypass operation. The range is from \$2,000 (for welfare patients done under contract) to more than \$15,000. In high-rent districts fees routinely run from \$7,000 to \$10,000. Such information is not easy to come by: surgeons and hospital administrators are unapproachable about it. The only ones who know the exact figures are the patients who receive the bills and the insurance companies that pay them. The charges vary

greatly, depending on the surgeon, the number of bypass grafts (generally each graft beyond the first one costs an additional \$400 to \$600), the hospital, and the location (the difference may be as much as 100 percent from one part of the country to another).

A surgeon, moreover, might charge a well-off customer \$6,000, while accepting \$3,000 from a Medicare patient who has no supplemental insurance. Most physicians view this practice as generous and humanitarian, as a matter of scaling down the costs for those who can't afford to pay. Economists call it monopolistic price discrimination. In a non-monopoly situation the seller offers the same price to all buyers, and profit margins tend to be narrow. But since physicians enjoy a monopoly, they can set any price they choose. The sliding scale not only creates a broader base of potential purchasers but also enables the seller to get the highest possible fee from each one.

Improved methods have reduced the amount of time necessary for the operation, allowing surgeons to perform five or six bypasses in a day while putting in less work overall. Yet fees per operation have escalated: a study of Blue Shield payments in the Washington, D.C., area found that allowances for coronary-bypass surgery rose by 75 percent from 1975 through 1978. In 1979, according to one national survey, most of the coronary-bypass operations in the United States were done by 677 surgeons, who averaged 137 operations that year. At 1984 prices, a surgeon performing that number of operations would collect fees of more than \$600,000. And since most cardiac surgeons do other operations as well, and receive other professional fees, their average income might be conservatively estimated at \$750,000. These figures don't represent the surgeons who are in greatest demand or who charge the most; some surgeons operate three times a day, perhaps 700 times a year, using assistants to do the opening and closing. Their incomes are in the millions.

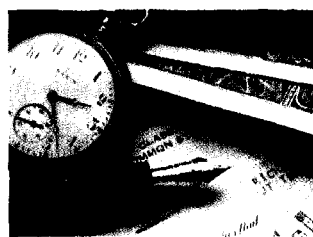
But the head surgeon isn't the only one with a direct economic stake in the bypass operation. In most hospitals one or two "assistant surgeons" each get an additional 20 percent of the head surgeon's fee—even though most of the tasks that they perform could be done by interns, nurses, or non-medical assistants. And a surgeon receives fees for being on call while a cardiologist per-

How to play the market without risking your life.



It used to be so easy. Risk some money in the market for growth. Keep the rest in the bank and buy a life insurance policy for security. But today, you have more options. There is a greater range of opportunities.

One opportunity is John Hancock Variable Life. Unlike most other plans, John Hancock Variable



Life lets you invest some of your premiums in stocks, bonds, or the money market, with the opportunity to add to the value of your coverage without increasing your premium. At the same time, it guarantees the face amount of the policy you buy, no matter what.

Send us the coupon for more information, including a Prospectus. Learn how John Hancock Variable Life can help you create a certain estate in an all too uncertain world.

I need to review my life insurance program.

Please send me more complete information and a Prospectus, including charges and expenses. I'd like to read the materials carefully before investing or forwarding funds.

- ☐ I would like to see a John Hancock registered representative.
I understand I am under no obligation. My phone number is _____
- ☐ I am an insurance agent or broker.

Name _____

Address _____

City _____ State _____ Zip _____

Mail to:
John Hancock Variable Life Insurance Co.
John Hancock Place T-54, P.O. Box III
Boston, Massachusetts 02117

John Hancock
Variable Life Insurance Company

We can help you here and now. Not just hereafter.

110116120084

forms a potentially hazardous procedure. If the surgeon isn't needed, he gets \$500 to \$800 for "availability." Nice work if you can get it.

Cardiologists also profit handsomely from the bypass operation, by doing the associated diagnostic work. The basic test is a cardiac catheterization, in which dye is injected into the coronary arteries to determine how severe and how many are the obstructions. The professional fee averages \$800, not quite in the surgeon's ballpark; but a cardiologist may do two or three catheterizations for every patient sent to surgery—and performing even five a week can generate an annual income of \$184,000, while consuming only a fifth of his time. Anesthesiologists, who also derive fees from bypass surgery, tend to have complicated fee schedules based on time spent, and their fees vary from place to place. But the national average is about \$1,250 per case, and since responsibilities before and after the operation are minimal, the average anesthesiologist can handle two cases every day with ease.

Then there's the hospital. For the diagnostic cardiac catheterization alone, lab and technicians' fees average \$1,100. Charges for other tests and for the hospital stay are additional (intensive-care units average \$1,000 a day, plus extras). Operating-room fees (for nurses, technicians, equipment, and supplies) run from \$5,000 to \$8,000. The usual blood tests, x-rays, and scans bring the total costs for one bypass operation to about \$25,000. Of this, various physicians' fees are about \$7,500, or nearly 30 percent of the total. Again, these figures are averages; in some cases, the total charges exceed \$100,000.

WITH PRICES LIKE these, the patients who actually get the operation are not necessarily those who most need it but rather those who have the best access to the health-care system: the typical bypass patient is a fifty-three-year-old white male with private health insurance.

The fact that 79 percent of all bypass recipients are men is usually explained by the higher incidence of coronary-artery disease in males, and by generally poorer results in females (whose arteries tend to be smaller and thus harder to bypass). The race difference, on the other hand, has nothing to do with biology. Age-adjusted mortality statistics suggest that coronary-artery disease is just as prevalent in blacks as in whites; in fact,

angina tends to disable blacks earlier in life than it does whites. Yet whites receive 97 percent of all bypass operations performed in the United States. The relative youthfulness of the bypass population is equally difficult to explain in purely medical terms. The median age at which patients first develop angina or suffer a heart attack is sixty-five; the median age for death from coronary-artery disease is seventy-five. Yet only 25 percent of all bypass operations are performed on persons age sixty-five or older. The inescapable conclusion is that the poor, the nonwhite, and the elderly receive a disproportionately low share of this medical service.

This is not to say that age and social conditions account for all variation in the use of bypass surgery; a patient's chances of getting the operation also vary according to where he lives and how his medical care is financed. In the United States we do bypass surgery twice as often as it is done in Canada and Australia, and more than four times the rate in Western Europe, despite similar demographics and social conditions. And within the United States patients served by prepaid physicians' groups receive the operation less than half as often as those whose doctors are paid on a fee-for-service basis. The difference in financial incentives is impossible to ignore. Canadian surgeons are paid about \$1,100 per operation—roughly one fourth of what their U.S. counterparts make. In Europe and Australia most physicians receive salaries rather than piece rates. So do the surgeons and cardiologists working under prepaid plans in the United States. Would the rest of America's doctors be doing such a vast number of operations if the average fee were cut from \$4,500 to \$450? I doubt it.

Surgeons invariably maintain that the decision to operate on an individual patient is based on medical factors rather than on an ability to pay. In fact, they say, "We're only operating on patients whom cardiologists tell us to operate on." True, almost all patients are funneled to cardiac surgery through a cardiologist. But the cardiologist is subject to countless nonmedical pushes and pulls. Some of these come from the patient himself: patients generally want something *done*, as do referring physicians, and if a cardiologist wants referrals, he will arrange to have done what can be done. Most of a cardiologist's business today is with patients who have coro-

nary-artery disease. The disease can be diagnosed by simple questioning, and drug treatment requires no special testing. The expensive tests that produce most of a cardiologist's income (such as scans and cardiac catheterizations) are used primarily to see if surgery is possible, and to give the surgeon the information necessary to perform it. The cardiologist and the cardiac surgeon are thus interdependent in their work, and each influences the other. Both have strong financial incentives to promote bypass surgery.

Even if fees have little direct bearing on individual decisions to operate, they clearly influence physicians to specialize in fields where they can collect high fees without a sense of conflict. If this is not so, why are so many physicians in training for a lucrative field like cardiac surgery, while so few are preparing to treat hypertension in the inner cities, to fill voids in rural areas, and to provide primary care for the elderly?

Physicians and consumers of medical care alike should have two major concerns about how bypass surgery is used. First, we should be concerned about individual patients, and whether current practice is producing optimal results. Do patients really get enough information to give informed consent for the operation? Do they realize that, on the average, the operation does not prolong life or prevent heart attacks? Do they know of the dangers associated with the operation itself, including a five-percent risk of heart attack on the table, a two-percent risk of dying, and about a ten-percent risk of serious complication, such as stroke, weakening of the heart muscle, or infection? Are they aware that unless they are experiencing frequent or severe angina, they may suffer net harm from the operation? Do patients understand that the operation does not cure them but only palliates, and that the average patient may need a second operation within seven years, which will be riskier and less successful than the first? When a patient is told he needs bypass surgery, are his options really explained to him? Does he realize that expert advice may vary according to what a given expert stands to gain from the operation?

The second major concern is societal. We are in an era of budget deficits and economic retrenchment, an era in which spending more on one medical option means spending less on another. We will devote approximately \$5 billion to bypass surgery in the United States this



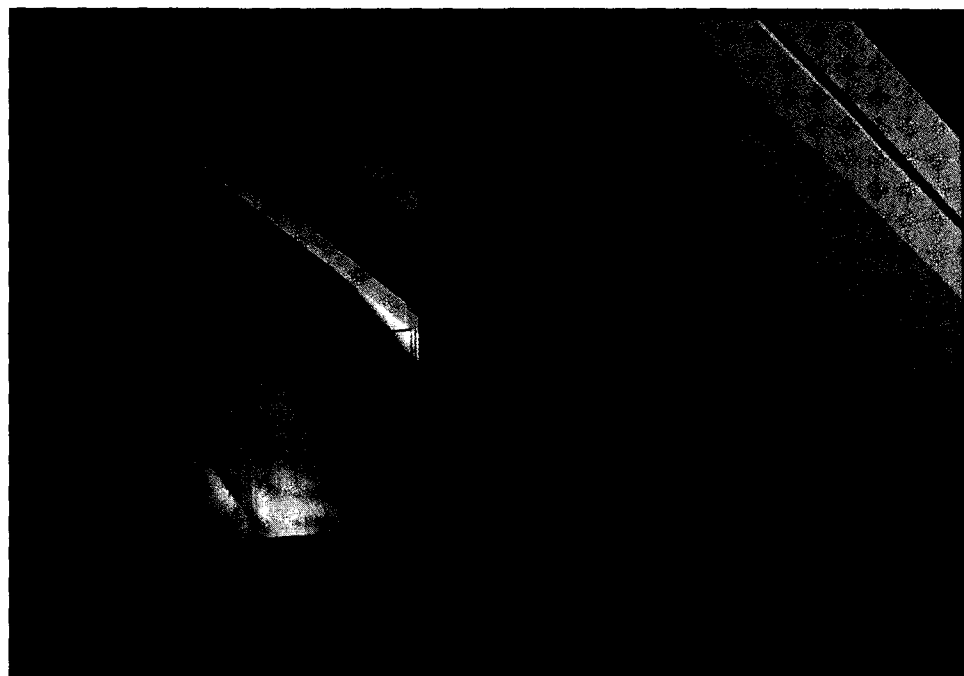
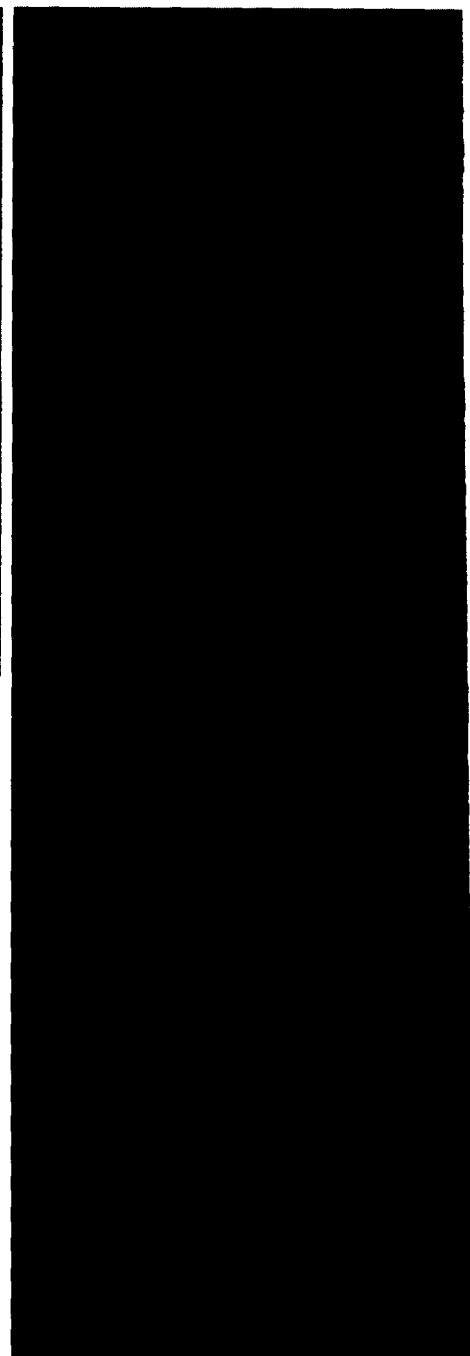
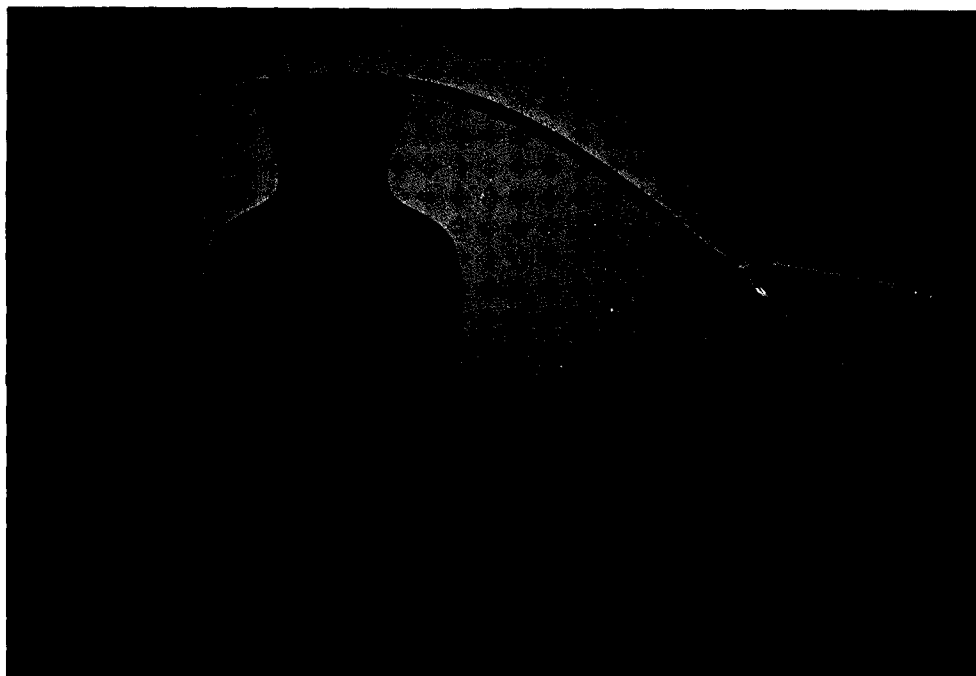
'Twas The Night Before.

But any visitor would surely know the children had been good for goodness' sake. For they had left him a most special gift — a sampling of Godiva® chocolates. Tender morsels all filled with dreams, each resplendent in its golden Belgian heritage. It's no wonder every luxurious gift of Godiva chocolates is indeed a tribute to the fantasy of Christmas.



Godiva Chocolatier, 701 Fifth Avenue, New York, New York 10022.

The Nikon FE2. Because not every



What milestone marks the moment you outgrow your first SLR?

The morning you race out at dawn to catch the minute of light that turns the earth sapphire. Or the time you find yourself summoning up the courage to ask someone to pose. Nude.

It's the day you decide to stop taking pictures. And start making them. Then, a good SLR is no longer good enough. You need the Nikon FE2.

It's the 35mm camera that offers a range of creative options designed for the imaginative few.

Options like an automatic system with the emphasis on the most important part of creative photography—depth of field.

A shutter speed of 1/4000 for a wider choice of apertures in bright light, so your focusing can be as interpretive as your composition.

A through-the-lens (TTL) flash metering

For Further Information Write Dept. 50, Nikon, Inc., 623 Stewart Avenue, Garden City, NY 11530. © Nikon, Inc. 1984

artist uses a brush and palette.



system that automatically sets the exposure, and lets you concentrate on perspective instead.

Even a flash synch speed of 1/250 for effects you could never create in broad daylight before.

And a comprehensive range of Nikon lenses and accessories for creative opportunities no other system can offer.

Which is why the Nikon FE2 is more than an extraordinary camera. It's the ultimate artist's tool.



Nikon
We take the world's
greatest pictures.

year, at a time when health benefits for the elderly are being reduced and when approximately 25 million Americans lack health insurance or other means to pay for medical care. As a society we must ask ourselves whether this distribution of resources is fair or appropriate. We now spend more on the coronary-bypass operation than we do on medical research and prevention of heart disease combined. If we could divert half of what we spend on this one treatment

into programs to help people stop smoking, lower cholesterol in their diets, reduce hypertension, and exercise more, the benefit would be greater than if we doubled our spending on treatment after the disease strikes.

— Thomas A. Preston, M.D.

Thomas A. Preston is the chief of cardiology at Pacific Medical Center and a professor of medicine at the University of Washington, in Seattle, Washington.

cigarettes. Belly buttons were a big battle of mine. Down at the syndicate they would clip them out with a razor blade. I began putting so many of them in, in the margins and everywhere, that they had a little box down there called Beetle Bailey's Belly-Button Box. The editors finally gave up after I did one strip showing a delivery of navel oranges.

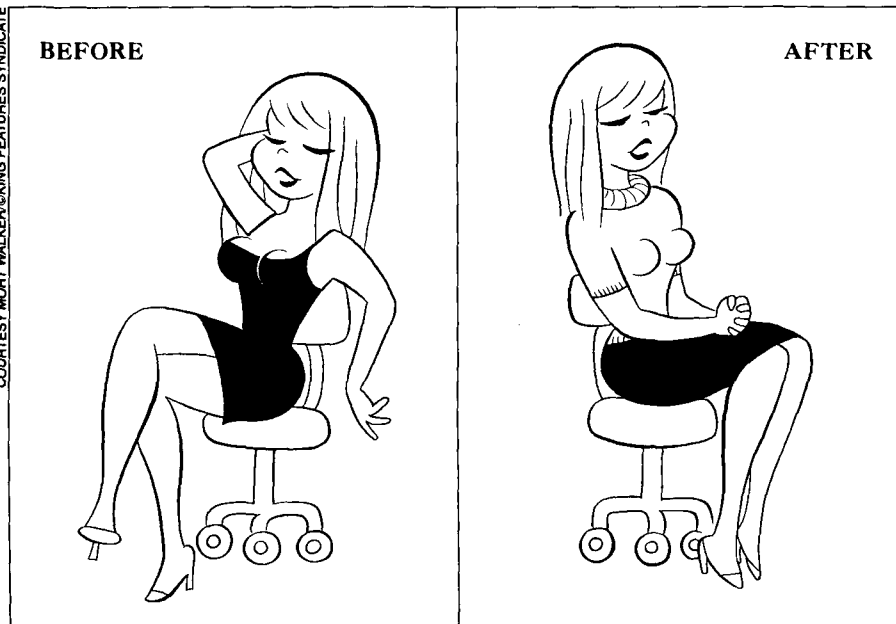
"There's still quite a lot of feeling about violence. In *Dick Tracy*, if someone is shot and the strip shows blood, there are editors who will paint it out. And there are still taboos about sex and sexual inferences.

"In 1971 I gave General Halftrack a sexy secretary named Miss Buxley. The feminists have been after me about her quite a bit. According to them, Miss Buxley is a stereotype of a dumb blonde secretary. Actually, I patterned her after Marilyn Monroe. I tried to keep an air of innocence, as if she doesn't know what she's got. She just wears these little dresses because she feels good in them, and even though they reveal a lot she doesn't notice she's revealing anything. There are a lot of feminists around now and a lot of them work on newspapers and a number of them got their editors to drop my strip—I think about seven papers went through this—or to leave it out when Miss Buxley was in it. My argument is that I'm really showing how silly the *General* is when he acts in a male-chauvinist fashion."

The criticism of Miss Buxley, which originated in the pages of *The Minneapolis Tribune*, in 1981, soon crept into *Vogue* and onto *Today*. It did not let up. A number of newspapers polled their readers specifically on their reactions to General Halftrack's secretary. Although these surveys consistently revealed that most fans did not give a hoot, a vocal minority of readers demanded or endorsed censorship. ("Do away with the strip altogether," advised Ms. V.T., a member of the psychology department at Winthrop College, in Rock Hill, South Carolina; "I am sick and tired of this humiliating garbage," wrote Ms. M.D., of Tallahassee, Florida.)

Finally, Walker decided to throw in the towel. He decreed that Miss Buxley, the succulent ingenue, should undergo a subtle metamorphosis; from her pupa would emerge a competent professional secretary. Walker made his decision last July. But because he had already written and drawn three months' worth of strips, the revamped Miss Buxley did not make her debut until November.

COURTESY MORT WALKER/KING FEATURES SYNDICATE



NOTES

MS. BUXLEY?

General Halftrack's secretary isn't quite the girl she used to be

PERHAPS YOU HAVE noticed and perhaps you have not, but in the past few weeks a change—appalling to some, overdue in the opinion of others—has occurred in a venerable corner of the nation's funny papers. The change involves a character in Mort Walker's comic strip *Beetle Bailey*, and I'll come back to it in a moment.

Mort Walker has been a nationally syndicated cartoonist for three and a half decades. He is the creator not only of *Beetle Bailey* (1950), which currently appears in some 1,500 newspapers in forty-three countries, but also of *Hi & Lois*, *Boner's Ark*, *Sam & Silo*, and *The Evermores*. He is one of the founders of the Museum of Cartoon Art, in Rye Brook, New York. He displays a historian's in-

terest in the craft, art, or profession (whichever it is) of cartooning, and has assiduously sought to ensure its healthy future. In 1970 Walker helped to decisively breach the color barrier in the comics by adding a hip, Afro-sporting black, Lieutenant Flap, to the cast of regulars at Camp Swampy.

There have always been barriers of one sort or another in the funnies; as times change, and as old barriers are torn down, new ones invariably go up. Taboos do not gladly suffer a vacuum. I spoke with Walker about this very matter a year ago, in the studio at his Connecticut home—the omphalos of his comics empire.

"When I first started, you couldn't mention divorce or death," Walker said. "You couldn't show smelly socks. You couldn't show a snake. They took a skunk out of my strip one time. In certain parts of the country you couldn't show anybody smoking. In Salt Lake City, if a guy was shown smoking a pipe, they'd simply white it out and leave the guy with his hand stuck out in the air for no reason at all. They would paint out



...ing it. And the
...are simply
...of front now adds a

ARIES.

steering,
auto-
matic

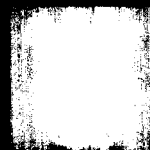
...and new look to
...lation of
...-wheel-

speed control, tilt steering
wheel, and other popular
options.**

...changes aren't
...in. This year,
...over 40
...standard fea-
...tures. Some
...73 improve-
...ments and
...innovations -
...both standard
...and optional.
...And, with
...offerings like
...Equipment
...Package, savings

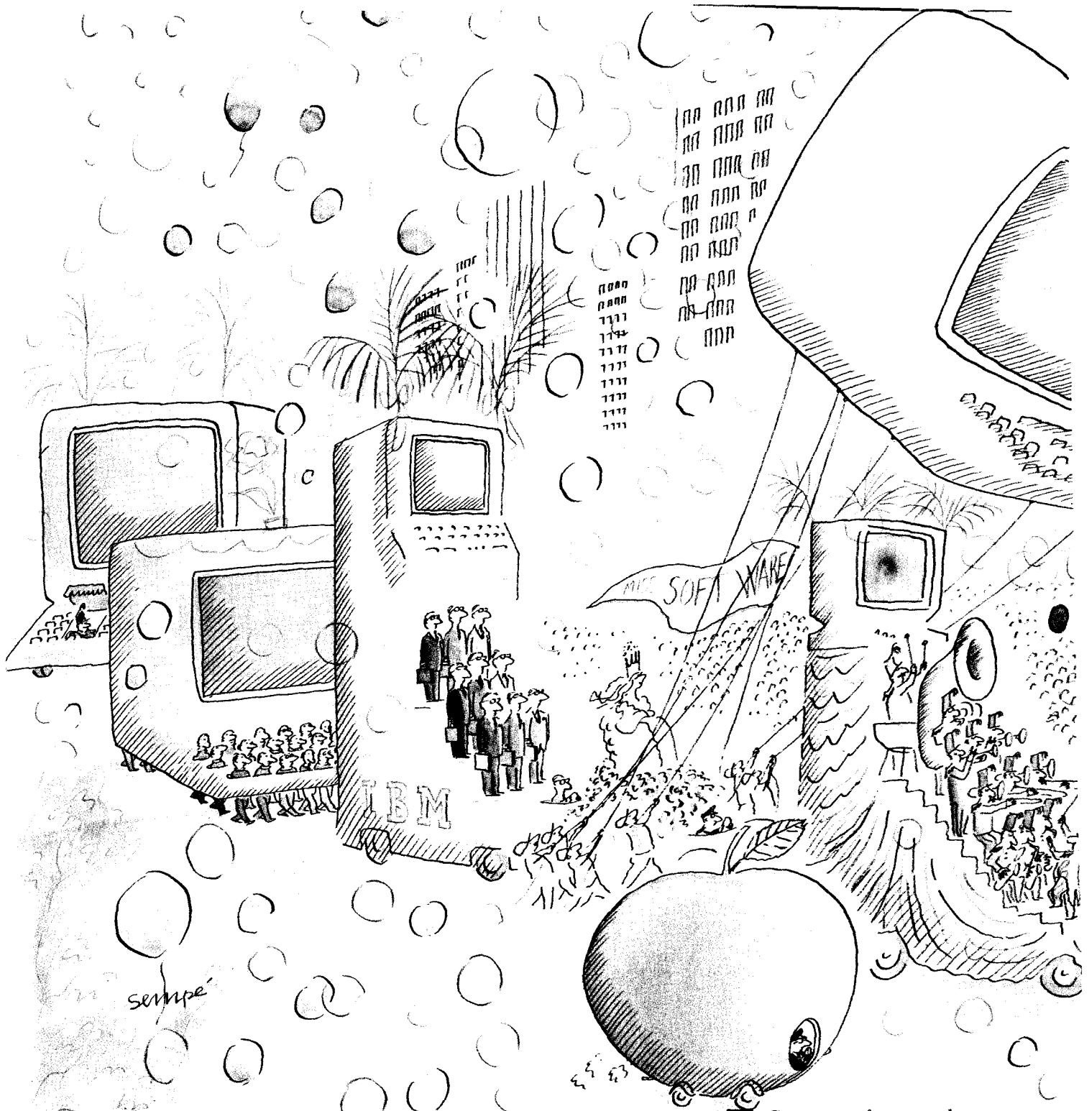
Ask any of over 400,000
American families who've
owned Aries what they think.
Then ask your Dodge dealer
about buying or leasing a
new Aries. It's traditional
K-car value in a beautiful
new style that makes Aries
2-door, 4-door, and wagon
true revolutionaries

again for 1985.



**AN
AMERICAN
REVOLUTION**

... EPA est. mpg, used
... 50,000 miles, whichever
... apply. Dealer supplied details.
... Buckle up for safety.



SPERRY PERSONAL COMPUTER SPECIFICATIONS

OPERATING SYSTEM	KEYBOARD
MS DOS Version 2.11 with	84 keys, 6 ft. cord
G.W. BASIC	AUXILIARY MEMORY
MICRO- PROCESSOR	Up to two internal 5 1/4" diskettes
16-bit 8088	10MB internal fixed disk when configured with single diskette.
DISPLAY SCREENS	USER MEMORY
High Definition monochrome display IBM com- patible graphics.	Standard 128K bytes, expandable to 640K
COMMUNI- CATIONS	DIAGNOSTICS
Built-in Asynchronous	Power-on self test

To Sperry, performance has never been a question of how we strut our stuff, but of how well we pass muster.

So while other PC's parade their bells and whistles and fancy foot-work, the Sperry PC quietly proves its superiority.

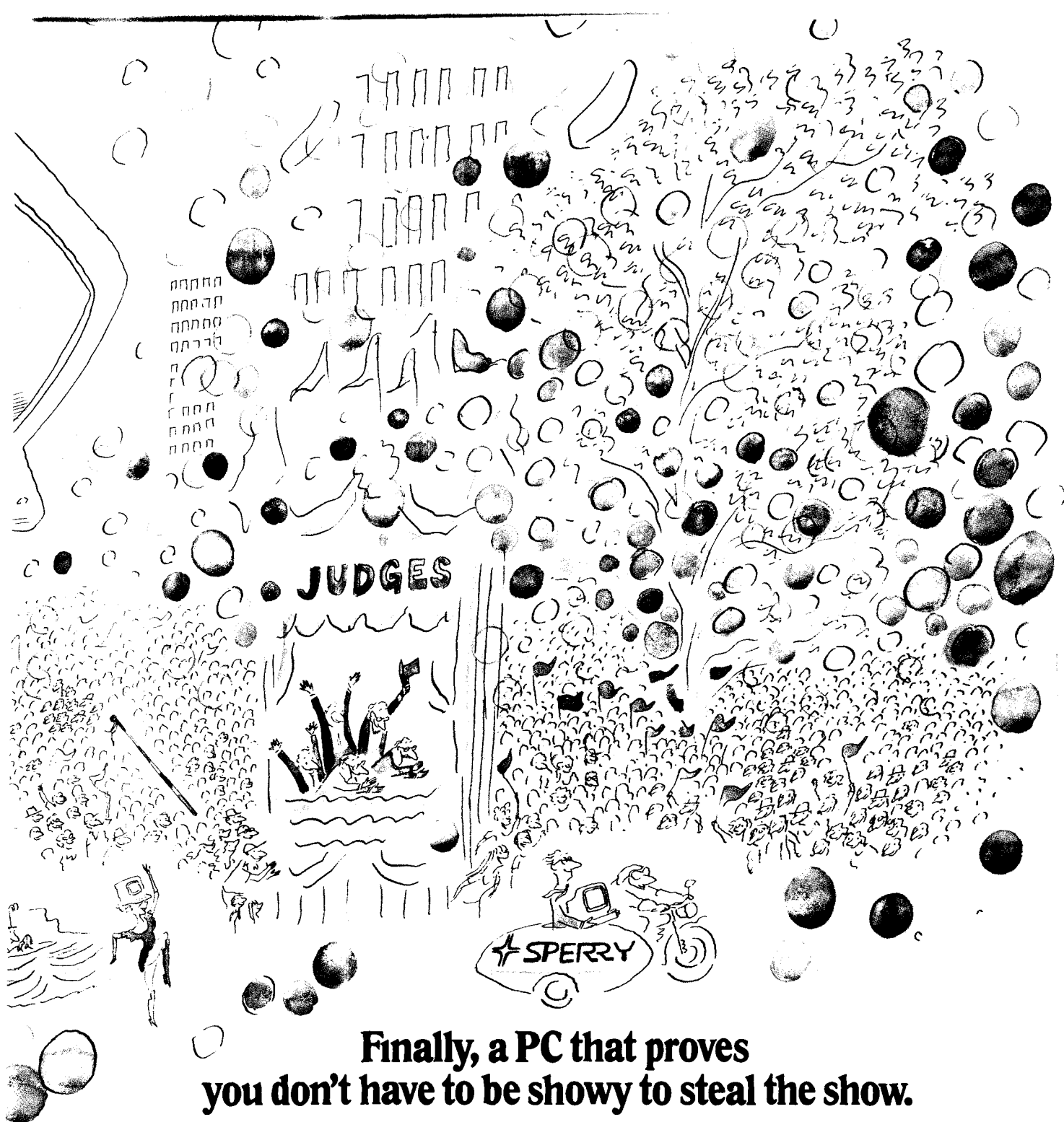
Superiority in graphics. With a brilliant display of color and design.

Ergonomic superiority. With a far more comfortable and infinitely more operable keyboard.

Operational superiority. With its ability to run 50% faster than most other PC's.

©Sperry Corporation, 1984

IBM is a registered trademark of International Business Machines Corporation.
MS DOS is a registered trademark of Microsoft Corporation.



Finally, a PC that proves you don't have to be showy to steal the show.

And all of this at a price well below the standard.

But the area in which the Sperry PC clearly demonstrates its leadership is compatibility.

It is our understanding of this critical concept that has made the Sperry PC so compatible with software for the IBM PC.

And in terms of its ability to be compatible with your company's most important source of information, the Sperry PC is peerless.

Because the Sperry PC plugs into the main computer.

Whether that main computer is

Sperry. IBM. Or both.

The Sperry desktop and portable PC's.

By comparison, everyone else will seem a little flatfooted.

But when you're out to lead the parade, you have to be on your toes.

A full-color reproduction of this original Sempe illustration, suitable for framing, is available with our compliments. Call or write for it, and we'll also send you an information kit on our family of PC's.

The Sperry PC.
**What the personal computer
should have been in the first place.**

Telephone toll-free 1-800-547-8362.

Sperry Corporation, P.O. Box 500,
Blue Bell, PA 19424-0024.

SPERRY



THE OLD MISS BUXLEY was a lissome airhead. In one strip Amos Halftrack described her as "just my receptionist, an ordinary, sweet, young, personable, nice-looking, long-haired, dark-eyed, well-built, soft-skinned, bouncy little . . ."—the General slobbered into incoherence before he could complete the résumé. If called upon to take dictation, Miss Buxley would typically forget her notebook. "Oops. I'm just not all here today," she once apologized. General Halftrack, watching her wiggle out the door, confided to an aide: "If there was any more of her here I don't think I could take it." This episode was the first to be yanked by the offended editors of the *Tribune*.

The new Miss Buxley, as Mort Walker describes her, "wears clothing appropriate for the office." He says that she's still a dish, "but she's a covered dish, and beneath that beautiful body there's a brain." No more pouty insouciance. No more blithe acceptance of General Halftrack's salacious glances. Miss Buxley will be taking courses to improve her secretarial skills, and when asked by the General about what she has learned, will reply with a line like "How to file a sexual-harassment complaint." Walker's daughter Margie, to ensure that her father's commitment to heightened awareness continues, will review any episode of *Beetle Bailey* in which Miss Buxley—perhaps soon to be Ms. Buxley—appears. The cartoonist's fondest wish at this point is for "the feminists to get off my back." As it stands right now, he says, "they want me off the face of the earth."

Maybe feminists should get off Walker's back and, perhaps more to the point, maybe they actually will. But let's be frank: by the standards being applied, Mort Walker has a lot more than Miss Buxley to answer for. *Beetle Bailey*, after all, did not poke fun solely at old goats and buxom office workers. It also made light—and still does—of being overweight, dumb, plain, drunk, and lazy, which may at times offend some people, like me, in three or four different ways at once. *Beetle Bailey* ridicules bureaucrats and brown-nosers, losers and lotharios, bulldogs and bald people. It mocks, with relish, both authority and resistance, duty and irresponsibility, intelligence and witlessness. It treats America's men in uniform with disrespect.

Where, pray, shall we draw the line? It would be best, I think, to leave the drawing (of both the line and the comic

strip) up to the cartoonist, and to recognize his role for what it is. Lord Byron wrote, "And if I laugh at any mortal thing/'Tis that I may not weep." In a perfect world comic strips would not be very funny. But such a world, to my mind, would thus be far from perfect.

—Cullen Murphy

Cullen Murphy is a senior editor of *The Wilson Quarterly*. He also writes the comic strip Prince Valiant.



TURKEY

FROM ANARCHY TO MODERNITY

A new economic order approved by the International Monetary Fund may save a struggling democracy

NEJAT ECZACIBASI is said to be one of the wealthiest men in Turkey. Bronzed and debonair, he looks much younger than his seventy-odd years. Behind Eczacıbaşı's desk, in the sprawling pharmaceuticals plant he owns on the outskirts of Istanbul, hangs an orange silhouette of Kemal Atatürk, whose peculiarly chilly and disturbing visage remains the talisman of Turkish nationhood and of the republican institutions he imposed upon the old Ottoman world sixty years ago. Five years ago Turkey was in the throes of anarchy, and Nejat Eczacıbaşı traveled to his factories in an armored limousine.

Today he radiates optimism. "Turkey always had enormous potential, but it was never tapped," he says. "The future now, however, looks very, very bright."

The source of Eczacıbaşı's confidence is Prime Minister Turgut Özal, a technocrat who combines the sentiments of Milton Friedman with the single-mindedness of Robert Moses, and who upon his election, in 1983, set out to transform the vast state-protected economy. Özal's is an energetic vision of the unbridled marketplace: denationalization, an end to protectionism, export stimulation, wage controls, the abandonment of ailing industries, and tolerance for high unemployment in the effort to squash inflation. Özal pursues his vision boldly. "Why, in his first days in office he just threw away two thousand pages of export controls," one admirer says.

It is an unoriginal menu on the face of it, cooked to order, some would say, in the stringent kitchens of the International Monetary Fund (IMF). But it also reflects Özal's conviction that Turkey can be saved from the cycle of dependency that retards so many developing nations, and can at last compete with the great commercial nations of the world. On Özal's success depends not just the fate of fashionable economic theory but perhaps the future of Turkish society as well. His program must inevitably test the strength and resilience of liberal institutions in a country that less than a decade ago nearly succumbed to the competing fanaticisms of left and right. It will also test Western notions of development in a society to which that process has already brought deep strains and disorder. For two decades "development" provided Turks with a steady improvement in material well-being. But it also brought about a migration from the impoverished countryside to urban slums, undermined traditional loyalties, bred a revolution of rising expectations, and instilled a rebellious consciousness of class. Overt political discontent has been discouraged by nearly four years of martial law, but it will not remain still forever.

Turkey's stability is critical to the United States as well as to the Turks. Because of a long border with the Soviet Union, Turkey is, as Secretary of State Alexander Haig put it in 1982, "an irreplaceable strategic asset not only for NATO but also for the whole Western world." The United States, which maintains or supports more than twenty military and surveillance installations in



"I could go for something Gordon's"

The possibilities are endless



MAGNIFICENCE



The
Boston
Symphony.
Every Sunday 2 to 4 p.m.

Sponsored by  Amtrak

WASHINGTON'S GOOD MUSIC STATIONS
WGMS 570AM-103.5FM

RKO General, Inc.

THE FITNESS MASTER XC-1



Excellent for weight control.

- Fluid motions—no jarring impact on bones and joints. Avoids running related injuries.
- Leg and arm motions are independent, with totally adjustable resistance.
- Can be used by men or women regardless of size or weight. Height adjustable.
- Easily folds to 5 inch height. Slips under a bed.
- 30 day home trial. 2 year warranty.

For a Free Brochure call:

TOLL FREE 1-800-328-8995

in Minnesota 1-612-474-0992 Mon-Fri 8am-5pm

Fitness Master, Incorporated
1387 Park Road Dept. F
Chanhassen, Minnesota 55317

“...ONE OF THE
BEST HOTELS IN THE
UNITED STATES.”

London Times



L'ERMITAGE

hôtel de grande classe

Beverly Hills, California

HIMALAYAN EXCURSIONS



Himalayan Excursions offers a wide variety of treks. Hotel, transportation, permit fees, etc. are included in the price. For brochure and information, please write, cable or call:

Himalayan Excursions or Sue Snelson	Midland Travel Agency
G.P.O. Box 1221	319 N Colorado St.
Kathmandu, Nepal	Midland, Texas 79701
	(915) 684-7428

Turkey, has nearly tripled military aid since a military coup restored order in 1980; it sent \$715 million in 1984 alone.

The Turkish government today has a certain schizophrenic quality. Side by side with Özal's democratically elected administration exists a lingering martial-law regime that continues to maintain internal security in most of the country. Although many Turks believe that the army would like to preserve a more "disciplined" economy than Özal has in mind, the military has continued to give him its steady if somewhat grudging support. Indeed, as Eczacıbaşı explains it, "Özal's plans couldn't have worked without the military takeover, because he needed laws that the previous governments were in no position to push through."

Before Özal arrived on the scene, the Turkish economy lay in shambles. Chronic balance-of-payments problems throughout the 1970s finally resulted in virtual bankruptcy. Enormous debts fell due. Loans dried up. Foreign investment shrank as industries were nationalized, denationalized, and then renationalized by rotating governments. Factories began to shut down, and unemployment reached 40 percent. In the first eight months of 1980 nearly eight million workdays were lost through strikes. "The government's idea of 'economic reform,'" a Western diplomat says, "was to fly somebody to New York to demand a couple of billion dollars from the banks." Parliament failed for six months to elect a president. Amid governmental paralysis the country slid toward chaos, abetted, most Turks believe, by active subversion from Bulgaria and perhaps the Soviet Union. From 1978 through 1980 more than 13,000 Turks were killed or wounded in factional warfare. "Somebody would just walk into a tea shop and start spraying everyone inside with a machine gun," a Turkish journalist recalls.

Özal had already won praise for his successful austerity measures under the last elected government, that of Süleyman Demirel. One of the army's first acts on taking power, in September of 1980, was to promote Özal to deputy prime minister in charge of the economy. A former World Bank executive and a professional planner with some twenty years' experience, he helped put together an emergency loan package that saved Turkey from bankruptcy and won him the lasting confidence of foreign banks. From the start he surrounded himself



Fair Payment: a way to help cut rising hospital costs.

In recent years, hospital costs have risen far faster than the cost of living, hitting everyone's pocketbook.

There are many steps being taken to contain these costs. One important way is called the "Fair Payment" system.

Fair Payment is a prospective payment system. That means that everyone, including the government, agrees to pay fair, pre-set prices for services rendered.

Such a system encourages hospitals to keep a tight rein on costs, because they know in advance how much income they will receive. This spurs competition among hospitals...and that's vital to our health care system.

Fair Payment also helps to end "cost shifting," a practice that occurs when the government doesn't pay its full share of total costs for

Medicare and Medicaid patients. And what the hospitals don't collect from Uncle Sam, they shift to private patients, inflating everyone else's bills.

Fair Payment is already at work in several states. In Maryland, for example, it has kept the rate of increase in hospital costs per patient consistently lower than the national average, while high medical standards have been maintained.

Isn't it time you had Fair Payment working in your state?

WRITE FOR MORE
INFORMATION

**HEALTH
INSURANCE
ASSOCIATION
OF AMERICA**

1850 K Street NW, Washington, DC 20006

YOU CAN
MORE IMAGINATIVE
THE RE

THE INVESTMENT

AFFORD TO BE WHEN YOU HAVE SOURCES.

We're asked to do more mergers, acquisitions, and divestitures than any other firm.

We're called upon to become involved in more of the largest and most complex domestic and international financial restructurings than any of our remarkably fine competition.

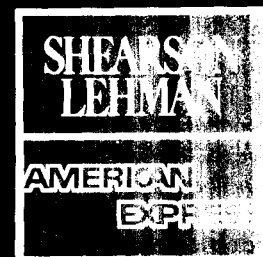
We apply ourselves with *aggressive thoroughness*, testing and challenging assumptions, constantly redefining the problem until a solution is reached.

We have the resources to afford virtually any size proposition. Even those in excess of a billion dollars. So our imagination is not straitjacketed by the magnitude of the deal.

Perhaps you've heard of us.

Our name is
Lehman Brothers.

BANKERS OF LEHMAN BROTHERS

AN AMERICAN EXPRESS COMPANY ®

with bright young technocrats who tend to see themselves as "teachers" of a new national lesson in economics.

Adnan Kahveci is a personal adviser to the Prime Minister, and he holds engineering degrees from Purdue and the University of Missouri. With his blown-dry hair, wire-rimmed glasses, and pin-stripe suit, he projects the very model of professional polish. A peasant's crude wooden pitchfork leans against the wood-paneled wall of his spacious Ankara office, a startling but probably deliberate counterpoint to the cream-and-rose-striped Regency furniture with which the office is appointed.

"In 1980 we had hyperinflation and anarchy simultaneously—we were like Lebanon, Poland, and Nicaragua all rolled into one," Kahveci says. "From the beginning our primary goal has been to reduce inflation. Of course, there's pressure to increase wages, but we won't give in to it. With one telephone call we could order the government presses to print more money, but that's no answer. Government supports are like taking opium—it feels good when you get it, and when it ends you feel pain. We believe that Turkish industries will also be able to endure the pain and adapt to the competitive world markets we're opening up for them. Those that don't adapt will face the ax."

Kahveci ticks off dazzling statistics. Exports have climbed from \$2.2 billion in 1980 to what is expected to be \$7 billion this year. Exports of cotton, tobacco, agricultural produce, and finished goods have increased by 30 percent, and for the first time since Ottoman days Turks are permitted to export meat and livestock. The value of Turkish contracts in the Middle East has increased from \$2.9 billion to more than \$15 billion in three years, while 120,000 Turkish workers in the region are now remitting some \$500 million annually. A huge Turkish trucking fleet is hauling freight to the otherwise blockaded states of Iran and Iraq. Large-scale irrigation projects now being planned will double the amount of arable land in the poverty-stricken southeast. Tax benefits have been established to woo employers to the Anatolian hinterland. Foreign investment is expected to burgeon. Within five or six years, Kahveci says, living standards should be restored to the high point of the early 1970s.

Sympathetic observers say such hopes are not necessarily farfetched. "Özal stands a better chance of pulling it off

than anyone has for the past ten years," says a Western diplomat familiar with the Turkish economy. "He has a parliamentary majority, the confidence of the IMF and the banks, and the support of the army." Nevertheless, the consensus with which Özal governs is shaped more by ideological exhaustion than by faith and enthusiasm, and the artificial polity that the military has created can only grow weaker as long as some of the society's most important political entities continue to be excluded.

LIBERAL-MINDED TURKS initially welcomed the soldiers as guarantors of order. "A coup was inevitable, but I expected, like most people, that the military would stay only three or four months and serve in consultation with the prime minister and Parliament," says Ahmet İsvan, a former social-democratic mayor of Istanbul, who was arrested without charge and jailed for twenty-seven months after the coup. Once in power, the army undertook a draconian reformation of the body politic. All existing political parties were banned; some of their leaders were arrested and others were ordered out of politics for a decade. Labor activities were suppressed, the universities were purged, and alleged terrorists were swept up en masse. In all, some 200,000 arrests were made (many of them multiple arrests of the same people), and about 20,000 people are currently in jail or on trial for terrorist activities undertaken in the late seventies.

Turkey's prison conditions are an acute embarrassment to both civilian and military leaders. Former political prisoners last year told investigators from the New York-based Helsinki Watch Committee of solitary confinement, beatings, and the application of electric shocks to their genitals. One young woman "confessed" when guards brought in her younger brother and began torturing him. A young couple, married for six months, were raped repeatedly in each other's presence. A father went to a prison to ask about his son and was himself taken inside, held for ten days, and tortured with electric shocks. As inexcusable as Turkish prison conditions are in a country that wishes to think of itself as democratic, they are not worse than those that existed under the freely elected governments of the 1960s and 1970s.

Of potentially more-lasting danger to the future of Turkish society and stabil-

ity is the military authorities' apparent determination to depoliticize the labor unions and universities and to intimidate even moderate left-wing critics of martial law. More than 500 organizers for the militant Confederation of Progressive Trade Unions, known as DISK, are on trial under a long-standing statute that makes it a crime to "seek to establish the domination of one social class over another." Although none of the defendants is accused of individual acts of terrorism, death sentences are being sought for sixty-two of them, and the rest are facing from five to twenty years in prison. In another trial fifty-two DISK officials, along with Ahmet İsvan, who is accused of collaborating with them in his capacity as mayor, are charged with responsibility for a May Day riot in 1977 in which several dozen people were killed. "What the government wants is a docile labor force that will not be a burden on industry," asserts a liberal Istanbul businessman, who explains that although he hates DISK's methodically disruptive tactics and believes that much of its leadership is Communist, he is sure that persecution of the union will do more to damage Turkish democracy than would DISK's continued existence.

Last November twenty-three members of the Turkish Peace Association were sentenced to between five and eight years in prison. They included such people as the presidents of the Turkish Medical Association and the Istanbul Bar Association, and the director of the State Theater. They were charged with "abetting communism," although the only activities upon which this accusation rested were promoting arms control and compliance with the Helsinki Accords and opposing deployment of new NATO missiles. This summer fifty-six more intellectuals were arrested from among 1,400 who signed a public petition expressing their views on torture and the limitations on free speech in Turkey. In addition, since 1980 more than 1,500 left- and right-wing university faculty members have been fired or asked to resign.

The United States, which takes the position that, as one American official puts it, a "frontal attack" would be "counterproductive," has been less outspoken on human rights than have some European governments. Last July, however, Assistant Secretary of State for Human Rights Elliott Abrams declared in a speech in Ankara that "torture must be stopped" and "the restoration of free-

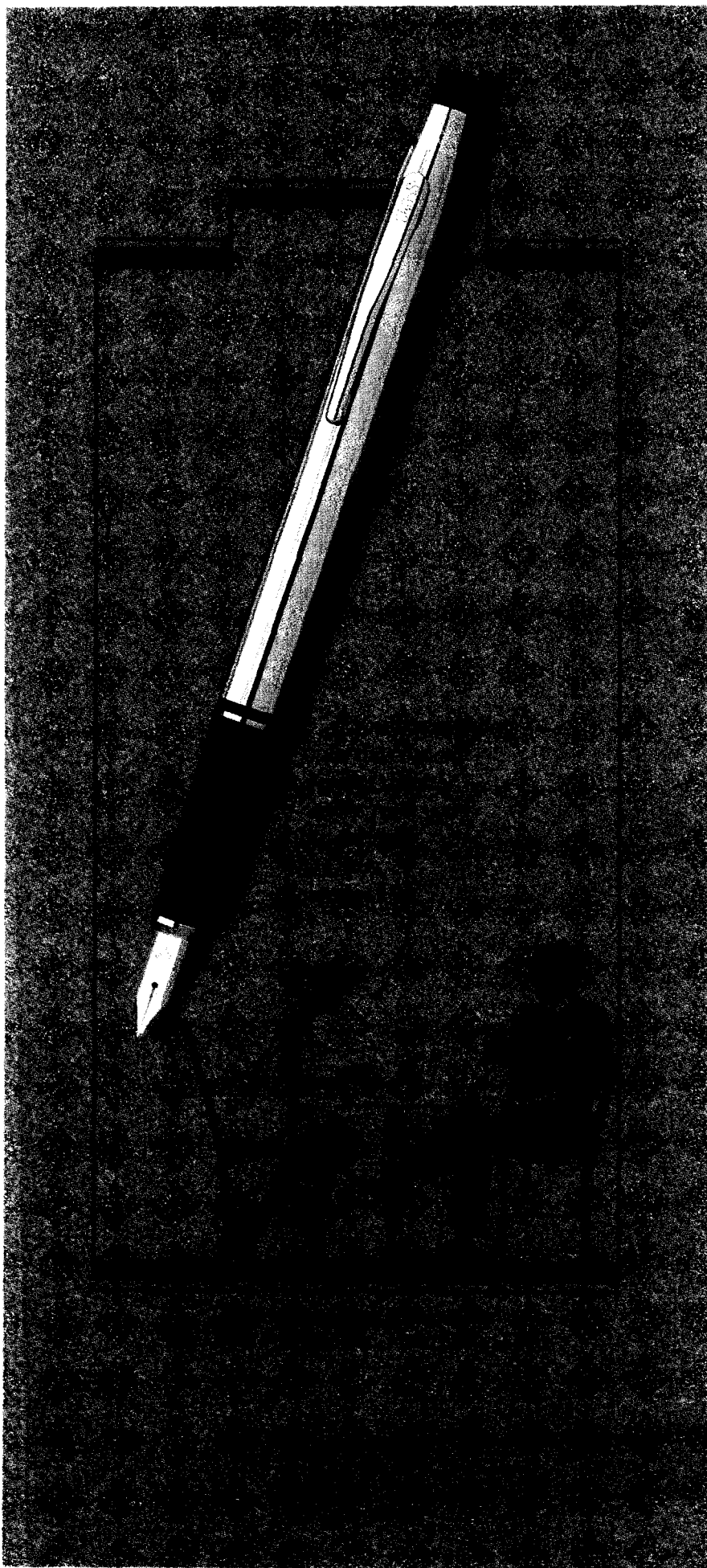
dom of speech and of academic freedom must proceed . . . because they are essential to Turkey's future political health." And, he added, the "prosecution of citizens for petitioning their government is not consistent with other democratic developments that have taken place. . . ."

Though the army's reformist impulse may be democratic in theory, its vision of the future seems to be a dismal barracks-room utopia of self-control, efficiency, and disciplined cooperation. The army expressed its ideals in the constitution of 1982, which many critics have condemned as a recipe for totalitarianism. Its more controversial measures include the barring of labor unions, professional organizations, and university faculties from any sort of political activity. It sets up a government body to monitor the universities, permits the confiscation of newspapers, and establishes a presidency with the power to appoint all university rectors, dissolve Parliament, and institute martial law. Nevertheless, in keeping with the paradoxical nature of the Turkish military, the generals plainly want to see civilian rule and at least some semblance of pluralistic politics.

"You have to understand that the Turkish military is a complex institution," the Istanbul businessman says. "The generals are conservative rather than fascist, and pragmatic rather than ideological. They are authoritarians with self-doubts."

Paradoxes abound. Although the army remains, as one Turkish journalist says, "like a sacred icon, above complaint," the press freely criticizes Özal's actions and economic policies. Even after fifty-six signers of the intellectuals' petition were arrested, it could be openly purchased on Istanbul newsstands. Although DISK has effectively been castrated, the much larger and non-ideological Turk-Is union has continued functioning without much interference. With the exception of students, who shy away at the mention of politics, ordinary Turks seem willing to criticize their government with spontaneity and vigor. One sees no trace on Turkish streets of the barely suppressed rage that characterized Iran during the last years of the Shah's rule.

Moreover, the army has apparently decided to face up to the torture problem. Several hundred official investigations of torture are under way, and about ninety torturers, including one prison



XS, S, M, L, XL
Khaki fan



BANANA REPUBLIC
TRAVEL & SAFARI
CLOTHING C^o

SEND \$1 FOR CATALOGUE • 1 YEAR'S SUBSCRIPTION
SEND CHECK, VISA, AMEX, M/C, DC TO 224 GRANT AVENUE, DEPT. 528,
SAN FRANCISCO, CA 94108 ADD \$3.50 FOR SHIPPING, CALIF ADD 6% TAX
ORDER TOLL-FREE 800-527-5200

For Visa and MC orders
call 212-714-0600
Money Back Guarantee

The most influential book magazine in America

gives you reviews of the best books of the year and provocative essays about contemporary issues and the books written about them. It gives you lively articles about ideas in life and in literature. It gives you exclusive interviews with important writers. It gives you six Best Seller lists 52 times a year. It guides you to the kind of pleasure good books can give.

The New York Times Book Review

It's a magazine you've relied on often. But did you know it is available separately by mail? And that copies are mailed in advance of the Sunday publication date so you can be the first to know what's happening in the world of books?

It's a great reading bargain

A subscription to The New York Times Book Review costs \$22 a year. If you subscribe for two years, you pay only \$40. Arranging it is easy.



Call Mr. Walker toll-free
1-800-631-2500

Or mail this coupon.

The New York Times Book Review 10
Subscription Sales
P.O. Box 508
Hackensack, N.J. 07602

Make the world of books my world.

- ☐ Please send The New York Times Book Review for one year at \$22
☐ For two years at \$40.

Name _____

Address _____

City _____

State & Zip _____

Rate for Canada and other foreign countries is \$26 a year in U.S. funds. Please allow four weeks for service to begin.

Beyond the Possible

It's always intriguing to speculate about the future and what we may be able to do with technology. And it's always dangerous to say what can't be done.

In 1899 the Director of the U.S. Patent Office urged President McKinley to abolish the Office, and even the position of Director, since: "Everything that can be invented has been invented." He wasn't the only one who time has proved wrong.

Thomas Edison thought his phonograph had no commercial value. He also believed that alternating currents were unreliable and unsuitable "for any general system of distribution." Today, of course, alternating currents are the most common means of using electrical power in the world.

In 1913 Lee de Forest, inventor of the vacuum tube, was brought to trial and charged with fraudulent use of the U.S. mails to sell stock. In the words of the district attorney: "de Forest has said in many newspapers and over his signature that it would be possible to transmit the human voice across the Atlantic before many years. Based on these absurd and deliberately misleading statements, the misguided public . . . has been persuaded to purchase stock in his company."

Ransom E. Olds, an auto industry pioneer, sold his company in 1925. He said at that time that "the field holds no more interest for me because the motor car has reached the ultimate in design and technology."

A *New York Times* editorial once questioned the wisdom of certain people trying to fly. For would-be inventors of heavier-than-air machines, "there are more useful employments with fewer disappointments and mortifications than have been the portion of aerial navigators since the days of Icarus," said the editorial, published on December 10, 1903. Seven days later the Wright brothers made their famous flight at Kitty Hawk.

Today we can sit back and smile in amusement as we read such things. At one time or another all of us have made the mistake Edmund Burke warned against when he said, "You can never plan the future by the past."

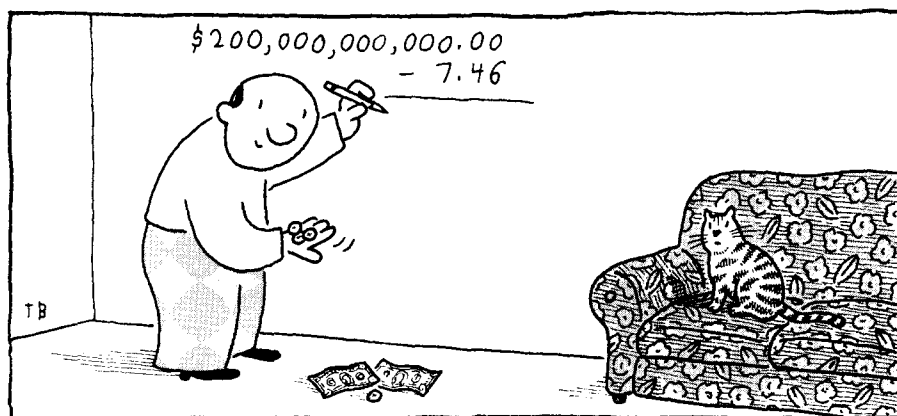
There's still another lesson to be learned from all this. It's that we should never allow ourselves to be limited by what others believe possible. If we want to discover the limits of the possible we have to examine what appears to be impossible. Only in this way can we find out if the earth might revolve around the sun. Or if bread molds might be medicine.



**UNITED
TECHNOLOGIES**

WHAT YOU PERSONALLY CAN DO ABOUT THE FEDERAL DEFICIT

BY ROY BLOUNT, JR.



THERE ARE ECONOMISTS who say, "Hey, don't worry about it. It's not, you know, *money*, as you know it."

There are economists who say, "It will mean—unless real, drastic, structural steps are taken by next fiscal Thursday—that Arabs will own your grandchildren."

All I know is, it is \$200 billion. Or \$175 billion. Around in there. And it is America's. Which means it is mine.

And I am not going to just sit here.

I am going to think of something the individual American citizen can do to reduce it.

Here is what I have thought of:

Buy stamps and throw them away.

If you go to your local post office and try to give the person at the window \$20 and ask him to forward it on up to the person in charge of balancing the federal books, he will be nonplussed. If, however, you buy a roll of twenty-cent stamps and throw them away, you will have pumped \$20 into the federal government without requiring it to do anything except print those stamps and sell them to you. The federal government comes out, I don't know, \$19.40 ahead.

And no one is hurt.

Another thing you might do is travel to Russia, find a Soviet citizen willing to pair off with you, and send to the Department of Defense an affidavit signed by you and that Soviet citizen (call her Olga Petrov) to the effect that the two of

you have declared a mutual non-aggression pact and therefore you authorize the federal government to reduce military outlays by whatever it costs to defend you against Olga Petrov. But that would take something out of the pockets of people who happen to be employed by our military-industrial complex.

Throwing away stamps doesn't hurt anyone. Mailmen are not deprived of any business, because you are still sending the same amount of mail. In point of fact, the stamp-production complex makes *more* money—so that all the people employed by it can better afford to buy stamps and throw them away. You see how this thing—anti-philately, we might call it—could gather momentum.

Okay. It bothers you to buy anything and throw it away. I can understand that. So here is a fallback position: Put twenty-cent stamps on postcards. An extra seven cents to the federal government on each postcard mailed. It adds up.

Or you can do this: You can leave a roll of twenty-cent stamps on your windowsill with the window open, allowing sudden rainfall to stick the whole roll together.

That is what I did recently. And I saw the downside of it. I tried to peel the roll apart. I produced stamp clumps, stamp ghosts, stamp shreds.

What a stupid, wasteful thing to do! Was I hacked off.

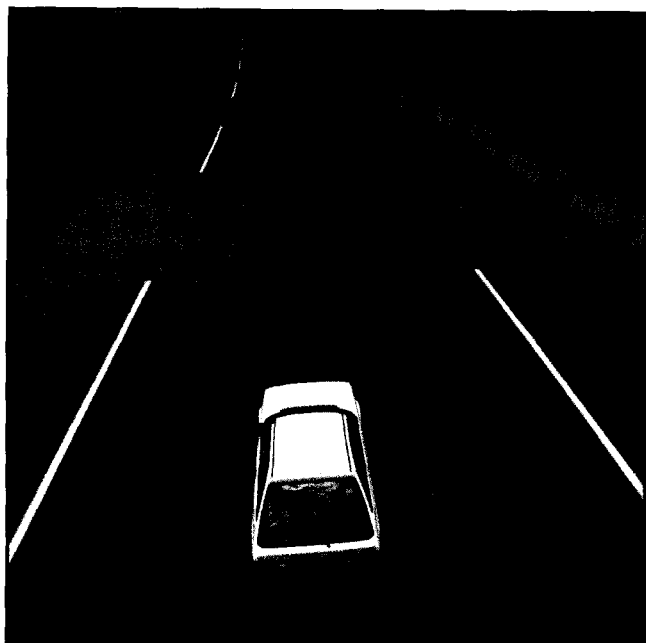
But then I looked at the upside. I had reduced the federal deficit.

You see how ideas like this are born? □

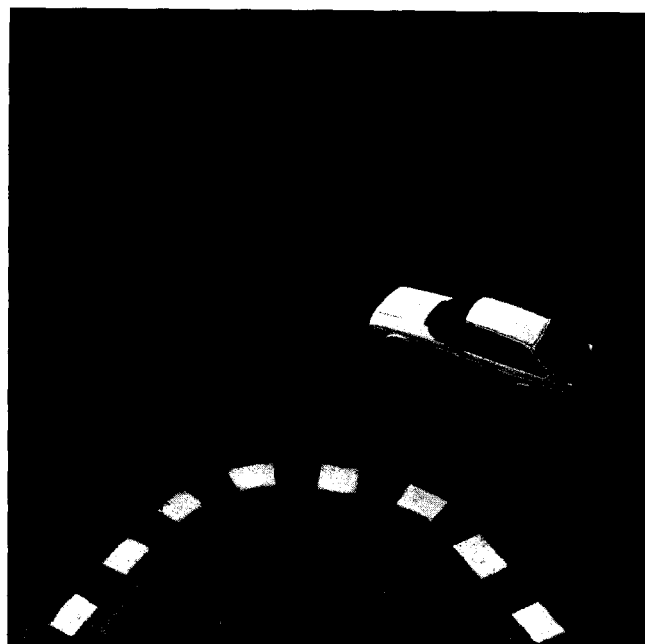
Chateau
Larose-Trintaudon.
Elegant.
Well-Balanced.
Distinguished.



Roy Blount, Jr., is a contributing editor of The Atlantic.



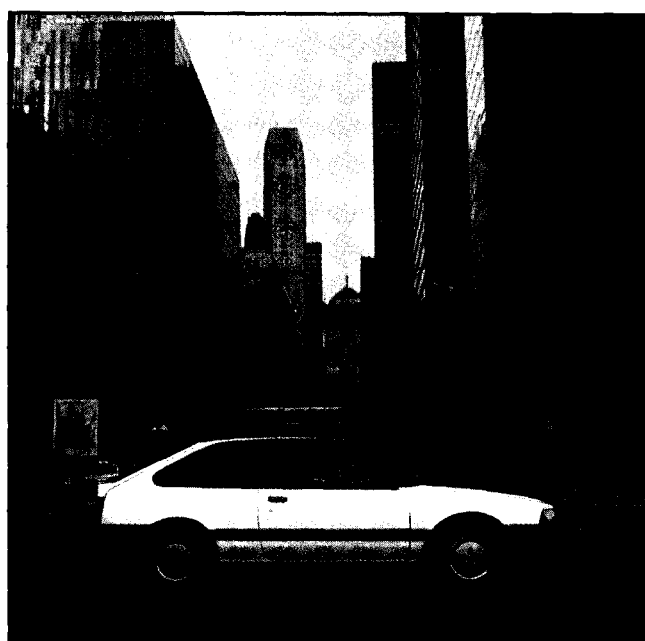
The Straightaway.



The Hairpin.



The S's.

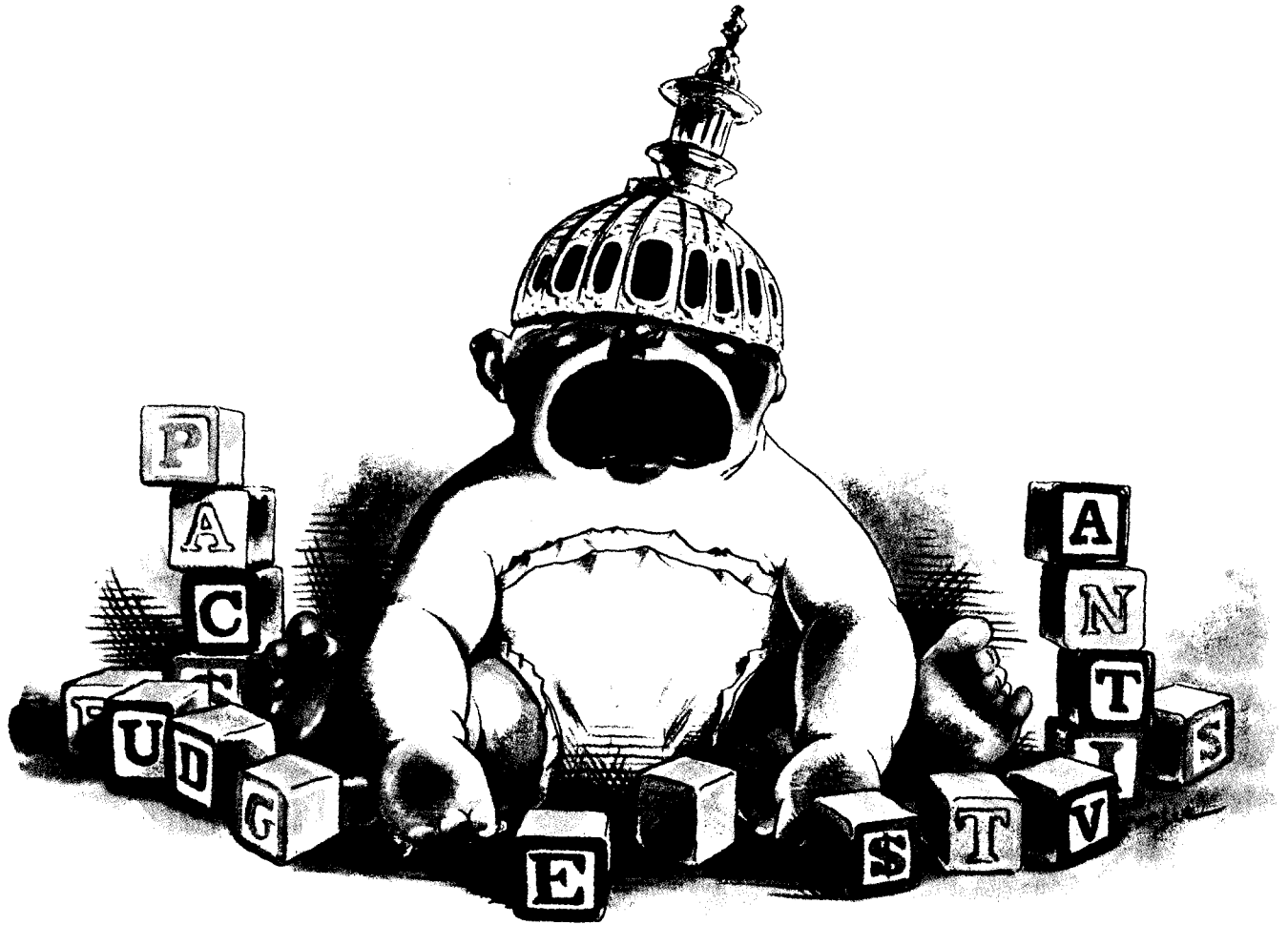


The Loop.

The 1985 Honda Accord Hatchback has a powerful 12-valve engine to speed you down the Straightaway at the Daytona Speedway. It has front-wheel drive to pull you through the Hairpin at Sears Point Raceway. A special sport suspension that can straighten out the S's at Lime Rock Park. And a long list of standard features to take you in comfort through The Loop in Chicago.

HONDA

The Accord Hatchback



Before Congress can lead the nation, it must be able to lead itself

WHAT'S WRONG WITH CONGRESS?

BY GREGG EASTERBROOK

REPRESENTATIVE MICHAEL SYNAR, OF OKLAHOMA, swears that this actually happened: He was addressing a Cub Scout pack in Grove, Oklahoma, not far from his home town of Muskogee. Synar asked the young boys if they could tell him the difference between the Cub Scouts and the United States Congress. One boy raised his hand and said, "We have adult supervision."

Is anyone in charge on Capitol Hill? October's two-week-long melodrama over shutting down the government was not an isolated instance. Recently Congress voted for a \$749 billion package of tax cuts, and only a few months

later was locked in debate over a constitutional amendment for a balanced budget. The House voted in favor of Ronald Reagan's plan to almost double the number of nuclear warheads in the U.S. arsenal, and not long after voted in favor of the nuclear freeze. Only once in the past six years has Congress finished the budget appropriations before the beginning of the fiscal year; many spending bills have not been completed until months after the spending they supposedly control has begun. Long periods of legislative stalling are followed by spasms in which bills are passed with wild abandon, and these often contain "unprinted amendments" whose contents congressmen have never had an opportunity to read. Many provisions of "tax leasing" became law that way, as, in 1981, did the phone

Gregg Easterbrook is a staff writer for The Atlantic.

number of a woman named Rita. Rita's number had been scribbled in the margin of the only copy of an amendment being voted on, and the following day it was duly transcribed into the printed copy of the bill.

"The system is a mess, and what's amazing is how many members of Congress are fully aware that the system is a mess," says Alan Dixon, a senator from Illinois. Congress has, of course, seemed out of control at many points in the past. During the late 1930s, as signs of war grew, Congress was synonymous with irresponsibility; during the McCarthy era, with cowardice. In 1959 it ground to a halt over the minor issue of Dwight Eisenhower's nomination of Lewis Strauss as secretary of Commerce and the even less important issue of an Air Force Reserve honorary promotion for the actor Jimmy Stewart. Through the 1960s it huffed and puffed about the Vietnam War, but never failed to approve funds for the fighting. In 1972, after hours of acrimonious debate, it voted to raise the federal debt ceiling for a single day. A degree of built-in vacillation was part of the Founding Fathers' plan for the legislature. But have recent changes in the structure both of U.S. politics and of Congress as an institution pushed Congress across the fine line separating creative friction from chaos?

"Congress today is a totally different institution from what it was when I arrived, in 1961," says Morris Udall, of Arizona, one of the House's senior members. "The magnitude of change is no illusion." The end of the seniority system; the arabesque budget "process" and other time-consuming new additions like the War Powers Act; the transformation from party loyalty to political-action-committee (PAC) loyalty; the increased emphasis on media campaigning; the vogue of running against Washington and yet being a member of the Washington establishment; the development of ideological anti-campaigns; a dramatic increase in congressional-subcommittee power and staff size, and a parallel increase in the scope and intensity of lobbying—all are creations of the past fifteen years. Some have served to make the nation's legislature more democratic and to improve its contact with the public. Others have made congressmen more frantic and timorous. But every change has in some respect caused Congress to become more difficult to run. Right now there isn't anyone in charge, and there may never be again.

EVERYWHERE A MR. CHAIRMAN

HARDLY ANYONE LAMENTS THE DISMANTLING OF the seniority rules—not even people like Udall, who would benefit if the old system still existed. From roughly the turn of the century until 1975 rank was based solely on how many years a member had been in Congress. The chairman of a committee could create or disband subcommittees, choose the subcommittee chairmen (often choosing himself), dictate when the subcommittees held hearings and whether bills were "referred" to them, hire the committee staff, and exert total control over

when the committee itself would hold hearings or report bills to the floor. All these powers rested exclusively with twenty to twenty-five men in each chamber; others in Congress could wield power only by outvoting the senior members on the floor, and then only when the senior members permitted such votes to occur.

Seniority had long been considered unassailable, for the reason that senior members would use their powers to block any reform. But by the late 1960s the resistance of the southern committee chairmen to the obvious need for civil-rights reform had eroded seniority to the point at which challenges became possible. Every two years, as a new Congress was convened and new internal rules were passed, younger members would press for further concessions. "In 1971 we managed to pass a resolution saying that seniority would not be the sole criterion for chairmanship and that there ought to be a vote," Udall explains. "It was vaguely worded and we didn't try to take the issue any further. In 1973 for the first time, we held such votes. Every chairman was retained, but it established the precedent—that there had to be a vote. Then in 1975 we won."

It was a pivotal year for the structure of Congress. Ninety-two new representatives, mostly Democrats—the "Class of '74"—had been elected to the House in the wake of Watergate. Government institutions in general were in a state of low regard. Conservative southerners had been shamed by how long they had stood by Richard Nixon; and two powerful old-school committee chairmen, Wilbur Mills, of the Ways and Means Committee, and Wayne Hays, of the House Administration Committee, were going off the deep end. The Class of '74 provided the extra margin of votes needed to end seniority in the House. Three entrenched chairmen—Wright Patman, of the Banking Committee, F. Edward Hebert, of Armed Services, and W. R. Poage, of Agriculture—were overthrown. More significant in the long run, a "subcommittee bill of rights" was passed. Essentially, subcommittees won the right to hold hearings on any subject at any time. Committee members would be able to "bid" for subcommittee chairmanships; full committee chairmen could no longer control these slots or hold more than one subcommittee chairmanship themselves. Each subcommittee chairman would get funds for at least one staff aide who would work for him personally, not for the committee. The total number of subcommittees would be expanded. A similar though more genteel sequence of change took place in the Senate.

The autocracy of the chair broken, Congress was transformed from an institution in which power was closely held by a few to an institution in which almost everyone had just enough strength to toss a monkey wrench. In 1964 there were forty-seven meaningful chairmanships available in the House and Senate. Between the dispersion of subcommittee posts and the increase in the total number of committees and subcommittees, 326 Mr. Chairman positions were available in 1984. Allowing for those who hold

more than one chairmanship, 202 of Congress's 535 members—38 percent—are now in charge of something.

More than any other factor, the deregulation of subcommittees has increased Congress's workload and decreased its cohesion. In 1970, before the change, congressional committees held an average of twenty-three meetings a day. By 1982 the figure was thirty-seven meetings a day, and it remains at that level today. Senators now average twelve committee and subcommittee assignments each. With the trend toward "government in the sunshine" the number of closed committee hearings has dropped substantially—from 35 percent of all hearings in 1960 to seven percent in 1975. This serves the public's right to know but also increases the amount of time congressmen spend posturing for public consumption instead of saying what they think, which is practical only in closed hearings. The subcommittee bill of rights established "multiple referral," under which several subcommittees could consider the same bill or topic. The result is increased redundancy, more speechifying, and almost unlimited potential for turf fights.

According to John Tower, chairman of the Senate Armed Services Committee, "Our committee spends a large proportion of its time trying to fend off competition from other committees and monitoring what the other committees are doing." In the Senate the Armed Services, Appropriations, Governmental Affairs, Budget, Foreign Relations, and Veterans' Affairs committees all have an interest in military legislation; subcommittees of the same committee may also have overlapping jurisdictions, such as the Arms Control and European Affairs subcommittees of Foreign Relations. Multiple subcommittees each with multiple jurisdictions are a primary cause of the dizzy progression of non-events in Congress. Headlines like *SENATE MOVES TO BAN IMPORTS* and *HOUSE HALTS FUNDS* often refer to subcommittee actions that will be modified many times before they take effect or, more likely, vanish without a trace. Some sort of milestone was achieved last June when both the International Economic Policy Subcommittee of the Senate Foreign Relations Committee and the International Trade Subcommittee of the Senate Finance Committee held hearings covering the same topic—Japanese auto imports—on the same day, at the same time, with many of the same witnesses.

Driving the system is the unleashed desire of congressmen to be in command of something—anything. Culture shock for new congressmen arriving in Washington can be severe. Having just won a grueling electoral test and bearing the status of big wheels at home, in Washington they discover that they are among thousands of potentially important people competing for influence and attention. Young congressmen also find themselves assigned to cramped, dingy offices with Naugahyde furnishings and no majestic view of the Capitol dome. The yearning for a Washington badge of recognition and the additional perquisites that would make Capitol Hill life what they imagined it to be can set in almost immediately.

A chairmanship is particularly important because television is permitted in hearing rooms. Almost from the onset of television, congressmen have realized the promotional potential of the carefully scripted hearing: the McCarthy and Kefauver hearings of the 1950s, which were among the first "television events," made their eponyms famous.

Fame may be an elusive goal, but publicity is not. The proliferation of networks and newscasts meshes perfectly with the proliferation of Capitol Hill hearings. Congress itself is difficult for television to cover, because no single person is in charge and few actions are final. A well-done hearing, in contrast, has a master of ceremonies, a story line, and an easily summarized conclusion when a witness commits a gaffe, announces a "policy shift," or clashes angrily with committee members. Hearings, unlike floor action, also allow congressmen to introduce props—the masked witness being a perennial favorite, piles of money or gimmicks like chattering teeth being reliable avenues to television coverage.

Once created, a subcommittee takes on a life of its own, if for no other reason than that the staff must justify its existence. In 1970 the House Committee on the District of Columbia had fifteen staff members; today it has thirty. The Senate Rules Committee had thirteen staff members in 1970 and today has twenty-seven. The House Appropriations Committee has more than twice as many staff members as it had in 1970, and the Merchant Marine and Fisheries Committee's staff has risen from twenty-one to eighty-nine. Debra Knopman, a former staff aide to Senator Daniel Moynihan, says, "The staffs are so large everybody wants to have his say and leave his own little stamp. Pretty soon the weight of people wanting attention becomes greater than the force moving the legislation, and the whole thing grinds to a halt."

Staff allegiance is to the subcommittee chairman rather than to the overall purpose of the legislature, and bickering with members of other staffs becomes a primary means of self-advancement. While the top jobs in congressional offices pay well—\$46,000 to \$56,000 a year—the average pay is only \$25,000; between the low salaries and hectic working conditions, turnover in congressional offices runs at a rate of 40 percent a year. A staff of bright, inexperienced people will work harder and produce more good ideas per salary dollar spent than an older, trained staff, but it will also lack an institutional memory, demand more attention, and make more mischief, mostly in the form of turf fights.

The proliferation and redundancy of committees has produced a proliferation of redundant committees to study the problem. In the past decade the Senate has appointed three internal-reform study groups: the Stevenson Committee (named after the former Illinois senator Adlai Stevenson III), the Pearson–Ribicoff Study Group (run by retired senators James Pearson, of Kansas, and Abraham Ribicoff, of Connecticut), and a committee now meeting under the chairmanship of Senator Dan Quayle, of Indiana. Stevenson recommended a simplified system that

would combine overlapping committees. Pearson and Ribicoff recommended that all subcommittees be abolished; that committees like the Small Business Committee and the Select Committee on Aging, which exist mainly to mollify interest groups, be subsumed into larger committees; and that the pairs of committees most frequently at each other's throats—the Armed Services and Foreign Relations committees, and the Budget and Appropriations committees—be merged.

None of the major Stevenson or Pearson–Ribicoff recommendations were enacted. The feudalistic system may prove in the long run more resilient than the seniority system, because now the number of congressmen with a stake in preventing change is much greater. Merging the Armed Services and Foreign Relations committees, for example, would eliminate one of the glamorous “A” committee chairmanships that are tickets to instant prominence, to say nothing of eliminating about ten subcommittee chairmanships. When Howard Baker, the retiring majority leader, appeared before the Quayle committee last July to present a summing up of his years of leading the Senate, only two senators were present to hear him. All the rest had schedule conflicts.



THE BUDGET THAT WOULDN'T DIE

THE WAY CONGRESS SPENDS MONEY WAS CONVERTED into a “process” with the passage, in 1974, of the Congressional Budget and Impoundment Control Act. Its immediate purpose was to prevent Richard Nixon from “impounding,” or refusing to spend, money that Congress had appropriated. But the Budget Act also had a long-term goal: solving a structural defect in Congress’s spending machine.

Before 1974 the House and Senate each had three kinds of committees involved with the budget: authorizing, appropriating, and revenue. The authorizing committees, like Agriculture, Transportation, Energy, and Interior, are the most familiar; they “authorize” federal activity by writing legislation in their subject areas. But though they can start or end programs, they cannot approve expenditures—only the two appropriating committees can do that. Since the amount spent on a program usually determines that program’s effect on policy, the potential for overlapping and disputation is boundless. Neither authorizing nor appropriating committees, meanwhile, have the power to raise the money that backs up the checks—only the Finance Committee, in the Senate, and the Ways and Means Committee, in the House, do. Because of this separation it became all too easy for authorizing and appropriating committees to ignore the fiscal consequences of their actions—getting the money was somebody’s else’s job—and for the revenue committees, in turn, to demand that the other fellow crack down on spending.

During the 1950s and 1960s, when deficits were relatively stable, this state of affairs was tolerable. According to Robert Giaimo, who served in the House from 1958 to 1980 and was the Budget Committee chairman in the late 1970s, “No one, including myself, in Congress in the 1960s ever asked what anything would cost. All we thought about was, Does this sound like a good program? Can we get it through?”

The budget process was intended to bring together the questions of how much to spend, how to spend it, and where the funds would come from with a single resolution that would both guide Congress and impose a series of spending ceilings to control the deficit. Congress would have, say, a certain ceiling for transportation, and if it wanted to add funds to subway construction, it would have to remove a like amount from highways.

Ideally this would have been accomplished through some merging of the authorizing, appropriating, and revenue committees. But merger would have required that at least two powerful chairmen, plus many subcommittee chairmen, surrender their posts. So an entirely new procedural tier, the budget committees, complete with two important new chairmanships, was set on top. The result is what Howard Baker calls “a three-layer cake.” In theory, on receiving the President’s budget requests, in early winter, the budget committees quickly produce a nonbinding first resolution to set general ceilings. Then the authoriz-

ing committees write policy-setting legislation within those ceilings, and the appropriating committees—after learning of the authorizing committees' policy objectives—award the money. Near the end of this cycle the budget committees produce a second resolution to reconcile the inevitable differences between what the budget ceilings allow and what the committees are actually spending. This resolution is binding, and after it is passed, in theory the remaining pieces fall smoothly into place.

In practice the budget process isn't working anything like that. Budget resolutions have become the subjects of such contention that this year the first resolution, due on May 15, wasn't passed until October 1—even though it was nonbinding. Appropriating and authorizing committees work concurrently and nearly year-round, the appropriating committees choosing dollar amounts before, from the standpoint of policy, they know how the money will be used. The Budget Act breaks down spending into functional categories different from those employed by the committee structure, so when a budget resolution is being debated, wrestling goes on over which portion of which ceiling should apply to which committee, a procedure known as "crosswalk." Thus the process leads to a continuous frenzy of activity but few decisions that count.

In order to prepare the fiscal 1984 defense budget, the Senate Appropriations Committee held seventeen days of hearings, producing about 5,300 pages of testimony. The Senate Armed Services Committee held twenty-seven days of hearings on the defense budget and called 192 witnesses, many of whom also appeared before the Appropriations Committee to make the same statements. The Senate Budget Committee held hearings on the subject as well, producing two resolutions that had to be debated and voted on by the full Senate.

Meanwhile, in the House, the Armed Services, Appropriations, and Budget committees were duplicating this work, and the full chamber was voting on a different budget resolution. And none of it was final.

When the defense bill itself came to the Senate floor, it sparked weeks of debate; the (different) House bill caused a similar swirl on the floor. Even after that the defense budget wasn't finished. A House-Senate conference committee had to be created to resolve the discrepancies between the two versions, and then the conference-committee bill had to be debated and voted on by both chambers. Spending levels for the Defense Department weren't finally set until mid-November of 1983, seven weeks after the fiscal year had begun.

Last summer Howard Baker was negotiating simultaneously with various factions on the defense authorization bill and the defense appropriations bill and with a House-Senate conference committee deadlocked on the defense sections of the budget resolution. In other words, he was trying to arrive at three different versions of the same number—none of which would be final. "This is crazy," Baker told the Quayle committee, in a plaintive tone. "It makes absolutely no sense."

The endless budget deliberations have also been a driving force behind a dramatic increase in the number of recorded votes on the floor. In 1960 the House staged 180 roll-call votes, or 0.7 votes per working day. In 1970 there were 443 votes, or 1.3 per working day, and in 1980 there were 1,276 votes—3.9 each day. (In the Senate roll calls have increased from 1.5 a day in 1960 to 3 a day in 1980.)

The sheer logistics of staging four roll-call votes a day are imposing, because congressmen are rarely on the chamber floor, or even in the Capitol. When roll-call votes are signaled, congressmen must drop what they are doing (usually attending committee meetings at one of the congressional office buildings several hundred yards from the Capitol), race to the floor, vote, and race back. It is considered political suicide to miss roll-call votes, even when the subjects are trivial (in recent years the House voted 305 to 66 to establish Mother-in-Law Day and 388 to 11 to permit the International Communication Agency to distribute a slide show called *Montana: The People Speak*) or when the votes are likely to be overturned later. Since low attendance has an instant negative connotation, one of the easiest ways for a challenger to attack an incumbent congressman is to hammer at a "bad attendance record" on floor votes—a tactic that avoids the issue of whether the congressman might have made more meaningful use of his time.

Because of the regularity with which redundant floor votes occur, Congress "never finishes anything, never arrives at a decision," according to Senator Ted Stevens, of Alaska. "Always they are just preliminary decisions that will be addressed again later anyway. It's totally confusing to the public, and even to ourselves." By my count there have been thirty-six "test votes" in the House and Senate on the MX missile since Reagan took office, most of them necessitated by some whorl of the budget process. These test votes have been accompanied by tension, packed press galleries, ringing debate—all the drama of decision, but no decision. On a Tuesday in December of 1982 the House worked late into the night debating whether to cut nearly \$1 billion from MX funding. The vote was headline news nationwide and was played as HOUSE KILLS MX. Then, on Wednesday—the following day—the House voted to retain \$2.5 billion for MX research and development.

The MX is far from unique as a source of marathon voting. In 1981 the Senate staged twenty-five roll-call votes on the budget-reconciliation bill (an interim step) and fifty-five on the tax-cut bill. In 1983 there were eight Senate roll-call votes on what language to use in condemning the Soviet destruction of Korean Air Lines flight 007. During three months in 1983 the House took twenty-seven recorded votes on the nuclear freeze, including eleven in one week.

Often in recent years the United States has technically not had a budget at all but rather has operated under a "continuing resolution" that keeps the money flowing but avoids an official legislative confrontation over the deficit. Continuing resolutions are popular, in part because they are one of the mechanisms that allow congressmen to seem

to be voting for both sides at once: they can vote No on the budget itself ("I'm opposed to these deficits") and vote Yes for individual programs on the continuing resolution ("I brought increased federal spending to this district"). Similarly, the frequent votes to raise the federal debt ceiling are technically "temporary" legislation, so that congressmen can claim that each vote was merely for an emergency stopgap, not an endorsement of the debt itself. A temporary vote results in the need to have another showdown over the same subject a short time later, even though it was known all along that the "temporary" increase would not provide enough time to make substantial reforms in spending practices. "We are forever staying up all night to extend the debt one month, doing nothing for a month, and then staying up all night again," says a highly placed officer of the House.

In recent years there also has been an increase in the use of supplemental appropriations bills, which are in effect end runs around the stagnated budget process. A case study in how Congress now works is this year's summer-jobs supplemental. In March of 1984 the House overwhelmingly passed a bill providing \$60 million in emergency aid for African drought victims. The bill was sent to the Senate, where immediate passage was expected. Realizing this, Senator Dixon—who had been looking for means to enact a \$100 million increase in federal summer-jobs funding for high-unemployment states like his, Illinois—decided to attach his proposal as an unrelated amendment, or "rider," to the famine-relief bill. (In the House, amendments must be germane; there is a similar rule in the Senate, but it is rarely enforced, meaning that in effect any rider can be attached to any piece of legislation.) In early April, Dixon's jobs amendment was added to the relief bill without opposition.

All aboard! The train was about to leave the station. A noncontroversial philanthropic bill—who could be against food for drought victims and summer jobs for youth?—was ideal as a carrier of baggage. Within ten days the Senate had attached no fewer than thirty-five more riders to the bill. Among them were \$14 million for the Cumberland Gap Bypass Tunnel; \$5 billion for the Commodity Credit Corporation; \$845 million for two child-nutrition programs; \$2.3 billion for the Rural Housing Insurance Fund; \$850,000 for recreation in Nassau County, New York; \$70 million for the Corporation for Public Broadcasting, providing "that none of the funds appropriated under this paragraph shall be used to pay for receptions, parties, and similar forms of entertainment"; \$1 million for abandoned-mine reclamation grants for Montana; \$50 million for crop insurance; \$25 million for United States Customs Service airplanes; \$62 million for military aid to El Salvador; \$21 million for aid to the *contras* in Nicaragua; extra money for the Senate Stationery Revolving Fund; and a "sense of the Senate" section praising the Navy's Seabee construction teams as "elite units of unprecedented mobility and versatility."

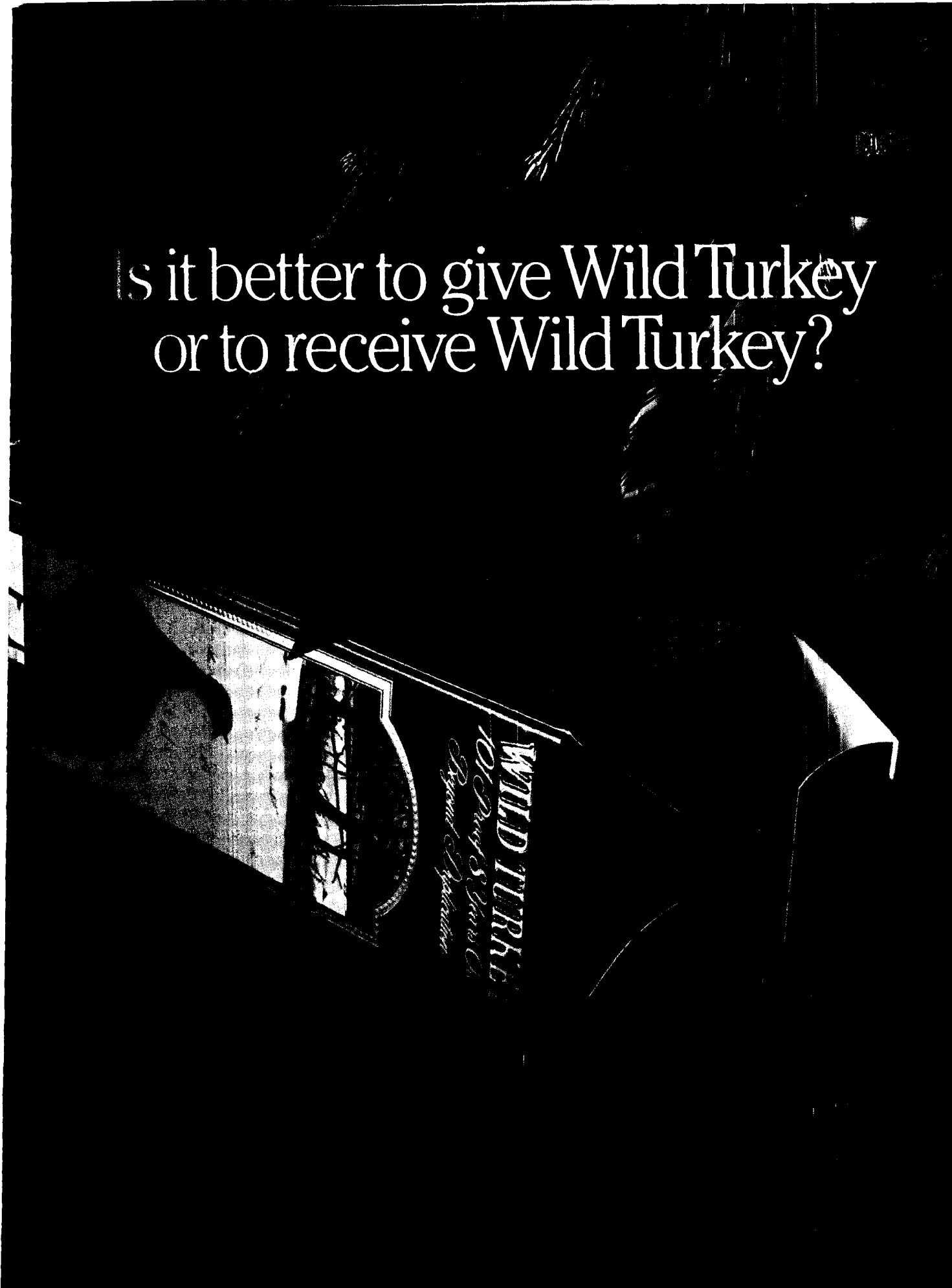
Soon the House made known that it wanted the Senate

to drop all the riders, including the summer-jobs provision; Jamie Whitten, of Mississippi, the House Appropriations Committee chairman, said that the Senate had "overstepped its prerogatives"—that is, gone wild. Then the mining of Nicaraguan harbors by *contra* forces was revealed and became a media event. Congressmen began to compete to see who could express the most outrage, even though Congress had supplied the funds with which the mining was carried out. Talk increased of using certain provisions of the War Powers Act, which would set in motion another new "process." Passed in 1973, the act was catalyzed by Nixon's "secret" bombing of Cambodia and invasion of Laos, but its origins go back to President Truman's decision to commit U.S. troops to Korea without consulting Congress and to President Johnson's use of trumped-up evidence to trick Congress into passing the Gulf of Tonkin Resolution. The War Powers Act creates a sequence of deadlines that so far have served mainly to generate meetings, testimony, and the appearance of action; its serious provisions, involving the withdrawal of troops, have never been acted upon.

During the harbor-mining flap, the House held ten hours of floor debate on an anti-mining resolution, not because there was any doubt about the outcome—the resolution won 281 to 111—but because so many members wanted a chance to make a speech with the cameras rolling. The Senate also held a long-winded debate before voting 84 to 12 to condemn the mining. The votes were headline news—even though neither was a decision but merely a nonbinding expression of concern. This "done," Congress adjourned for the Easter holiday.

By mid-May the House had passed a new version of the famine bill, removing some of the Senate riders. A conference committee was called to resolve the differences, especially over the now controversial aid to El Salvador and the *contras*. In early May, José Napoleón Duarte was elected president of El Salvador. He met with House leaders and persuaded them of his sincerity, and House objections to the \$62 million in extra aid for his country were dropped. But the \$21 million for the *contras* remained in dispute. White House lobbyists said that they would not support the bill unless aid to the *contras* was included. Stalemate was reached. Famine relief and the summer-jobs measure were now being held up by a political non sequitur.

In mid-June, Dixon appeared before the Senate's Democratic caucus with a spending breakdown showing that although the jobs measure was intended mainly for industrial states, almost every state—forty-four of fifty—would get some share of the money. This seemed to increase senatorial enthusiasm. Then, at a televised press conference, President Reagan was asked whether he felt that employment for the poor should depend on aid to the *contras*. Reagan seemed only dimly aware of what was at issue, but the question had been phrased in such a way that he came off sounding hard-hearted. A spate of bad publicity resulted, including editorials in most of the nation's papers.



Is it better to give Wild Turkey
or to receive Wild Turkey?

Now
Extended

Give Wild Turkey® 101 Proof anywhere* by phone through Nationwide Gift Liquor. Call Toll Free 1-800-CHEER-UP (Arizona 602-957-4923).
*Major credit cards accepted. Austin, Nichols Distilling Co., Lawrenceburg, KY © 1984.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



In late June there was another round of floor debate in the Senate. Aid to the *contras* was dropped from the bill, as were a few of the other riders. When finally approved, the supplemental, which had started with a single provision worth \$60 million, contained twenty-two provisions worth \$1.1 billion. Reagan signed it on July 2—with the intended summer-jobs recipients already well out of school, and an unknown number of African drought victims, if anyone still remembered *them*, added to the death toll.

MOUNTAIN PEAKS

WHEN SENIORITY WAS IN FLOWER, THE PERSONAL prospects of most congressmen were limited. There was nothing a congressman might do to speed his ascendancy to the chairmanship of a committee. He could only wait. If he wished to be able to deliver appropriations for his district or constituency, his best chance lay in cultivating the good will of a few older chairmen and leaders—the speaker, the majority and minority leaders and their assistants, and the party caucuses, which made and revised committee assignments.

The main way to win the favor of this small group was to keep quiet. Make no special demands, vote as directed, and never challenge a leadership position or a senior chairman's bill on the floor. Challenging the power structure might work on occasion—but the senior members were around for the long haul, and they had excellent memories for those who crossed them. Stepping out of line might also cause a congressman to lose the financial support of his party, and that might cost him his job.

As the tenor of American politics changed—and as, through Watergate, internal Washington came to be associated with disgrace rather than dignity—Congress changed. "Today each senator is his own mountain peak, with his own staff, his own source of financing, his own pet issues, and his own agenda," says Nelson W. Polsby, the author of several standard texts on Congress.

With the seniority system gone, the rewards of patience are fewer—there's no guarantee that playing by the rules will lead to a prominent position. The prominent positions themselves have been devalued, and the penalties for being a glory-seeker have been all but eliminated.

At the same time, with the expansion of television coverage, playing to the crowd has become much more rewarding than playing to the club. In 1964, 1,649 journalists were accredited to cover Congress. Today 3,748 are: seven journalists for each congressman. By far the largest increase has been in the number of radio and television journalists. While Congress itself is difficult for the networks to cover, individual congressmen make ideal subjects for television. They hold important positions; they speak in catchy phrases that clip into twenty-second bites; they eagerly seek exposure, and thus are willing to cooperate with television's requirements; and they have opinions on nearly everything. Congressmen, in turn—particularly senators, because of their extra prestige—have found that they can use television to cultivate national followings that will supply them with fame, donations, and a power base, should they run for President. Self-promotion has always been a factor in Capitol Hill affairs, but the advent of television has made it convenient to a degree never before possible.

The shift in campaign financing toward direct mail and PACs has an obverse effect that is often overlooked: the shift away from political-party structures as a source of funds. In 1982 candidates for the House received, on average, only six percent of their funds from Democratic or Republican party organizations. Almost all their money came from PACs and from individuals, most of whom were PAC-affiliated or solicited by direct mail. Oil-company PACs alone gave more money to Democratic candidates in 1982 than did the Democratic National Committee. Party discipline has always been weak in U.S. politics; there is nothing in the United States that rivals the bitterness and intensity of Western European party feuds, for example. The two restraints that congressional leaders have traditionally used on members are the promise of campaign funds and the threat of seniority freeze-out: with the for-

mer now more readily available outside Congress and the latter lacking credibility, mountain peaks are heaving up in every direction.

This change affects the substance of government as well as the style of Congress. Subcommittee hearings held primarily to showcase the chairman waste not only the subcommittee members' time: someone must testify at those hearings. Secretary of State George Shultz was called to Congress for formal testimony twenty-five times in 1983, or every other week; all told, high State Department officials made nearly 400 appearances. Senator Robert Kas-ten, of Wisconsin, says that officials appearing before redundant committees not only discuss the same topics but use the same words. "Often I'll say to myself, Where have I heard that before? and realize that it's the exact same speech that was read by the same man, the week before, at another hearing. If you miss part of his speech, just go to the next hearing, because he'll be giving it again."

Constantly going up the Hill to testify—and constantly having to defend budget requests, which in the multi-tier system are subject to some kind of challenge somewhere almost daily—affects the efficiency of executive agencies. Administration officials come to view a good day of committee testimony as representing the successful fulfillment of their duties. This is an essential element of Washington make-believe. In turn, congressmen often view an official's relations with Congress as in itself the measure of success (it was Anne Gorsuch Burford's refusal to release documents to Congress, not her policies at the Environmental Protection Agency, that caused her downfall). And reporters come to view accessibility to the press as the chief test of an official's worth. The question of what government is actually doing is often lost in the shuffle.

PRISONERS OF TRIVIA

TRIVIA, EVEN TO THE MOST DEDICATED CONGRESS-
man, has its pull. When there are a thousand small things that demand attention—hearings, floor votes, hands to shake, parties to attend, and speeches to deliver—the mind tends to focus on them, and larger purposes are forgotten.

The development in the 1970s of computerized direct mail, for example, may have given congressmen a powerful new tool with which to raise money, but it also gave interest groups a powerful new tool with which to bury Congress in trivia. In 1972 members of the House received 14.6 million pieces of mail; last year the figure was 161 million, and this year mail is running at a rate of 200 million pieces. That comes to 459,770 pieces of mail for each representative. On a single day this fall Tip O'Neill, the speaker of the House, received *five million* pieces. One staff aide, who worked for Hubert Humphrey in the 1960s and now works for one of the Senate's lesser-known members, recalls, "During the height of the debate on the Civil Rights Act of 1964, Humphrey got 3,000 letters. This was

considered astonishing. Now we can get 3,000 letters a day even when there's nothing going on."

Most of the letters are sparked by mass-mailing campaigns made possible by computers and targeted address lists: it is not unusual for a congressman's office to receive in one day fifty handwritten letters all of which have exactly the same wording. But the fact that few of the letters are spontaneous does not diminish their importance to congressmen; each letter represents both the concerns of a citizen and a lost vote should the congressman fail to reply. Failing to answer a letter—even with a form letter—is riskier than missing a roll-call vote, since the letter constitutes the most direct contact the average voter will ever have with a political leader.

"People write to us to complain about the expansion in congressional staff, then get mad if someone isn't standing by to answer their letter," says Janet St. Amand, the legislative director for Representative Thomas Carper, of Delaware. Form-letter computers that spew out paragraphs in response to key words have been installed in congressional offices, and the offices of senators from large states now more closely resemble mail-order outlets than legislative enclaves. Senator Dale Bumpers, of Arkansas, was embarrassed a few years ago when it was revealed that his computer contained a form letter designated "late apology to friend" that began, "It was good to hear from you, and I hope you'll accept my apologies for my delay in getting back to you. I had put your letter aside to answer personally. . . ." Capitol Hill interns and lower-level staffers now find that their lives consist almost entirely of opening letters, flattening the contents, and stuffing envelopes with the responses.

Robert Rota, the postmaster of the House, says he sees no end in sight for the increase in congressional mail: "The stamp will always be the cheapest form of lobbying, and as long as the enthusiasm for lobbying keeps building, so will the volume of mail."

One new distraction that members of Congress dare not complain about publicly, but nonetheless feel, is the physical presence of constituents in Washington. The increase in travel by average Americans is among those measures of society's wealth that do not fit neatly into the consumer price index but are unmistakable. In 1970, 2.8 million people visited the Capitol grounds; the figure continued to build even through the recent recession, and in 1983 it hit five million. Crowds are such that it is now sometimes difficult, even during the week, to walk through the Capitol Rotunda; in the summer, tourists even abound in the unmarked (purposely, to discourage the curious) underground passageways that link the functional parts of the Capitol.

When the Philip Hart Senate Office Building was completed, two years ago, there was a minor revolt among senators who were ordered to move in, in part because the Hart Building lacks the traditional unmarked doors that allow senators to slip in and out of their private offices unnoticed.



The 1985 Lincoln Town Car. Quite simply, no other luxury car

While some luxury cars have been downsized or compromised out of existence, it is comforting to note an exception.

Lincoln Town Car.

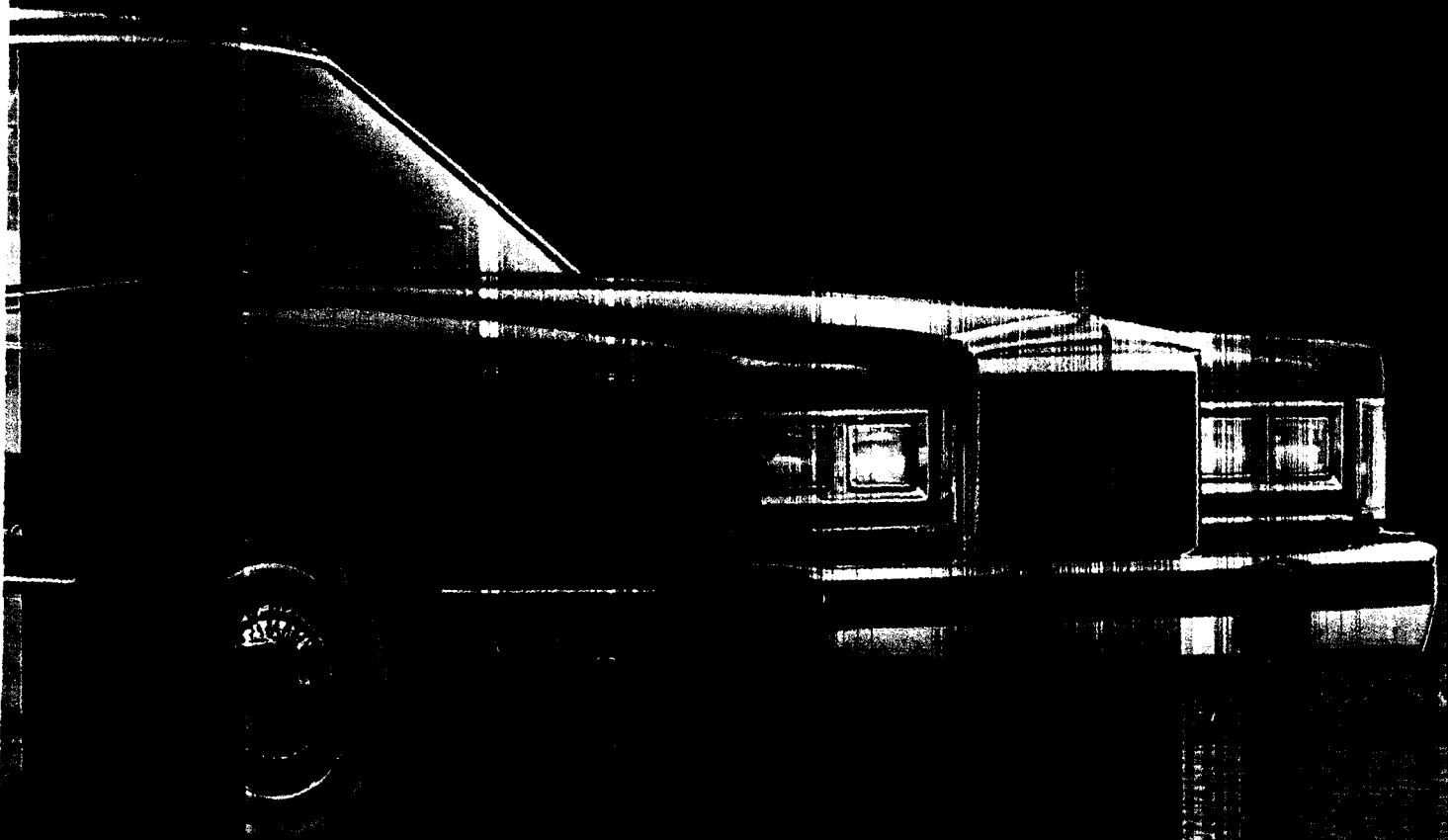
In 1985, it has retained the generous size that discriminating drivers have come to expect, and even demand. With considerably more interior room and cargo

space than any car in its class.

An equally comforting dimension is that of quality. Lincoln automobiles have been rated the highest

quality luxury cars based on an average of owner-reported problems in the prior six months in a 1984 survey of 1981-1983 models designed and built in

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



measures up to it.

Get it together—buckle up.

the U.S.

Lincoln Town Car also offers the responsiveness of a 5.0 liter V8 power source coupled with the technology of electronic fuel

injection. In all, an automobile superbly equipped to meet the vagaries of modern driving with ease. To purchase or lease the 1985 Lincoln Town Car,

simply visit your Lincoln Dealer.

You will find a standard of luxury that, even today, remains remarkably undiminished.

LINCOLN
Lincoln-Mercury Division 

Come to Marlboro Country.



Marlboro Red or Longhorn 100's—
you get a lot to like.

© Philip Morris Inc. 1984

Warning: The Surgeon General Has Determined
That Cigarette Smoking Is Dangerous to Your Health.

17 mg "tar," 1.1 mg nicotine av. per cigarette, FTC Report Mar.'84

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE CAMPAIGN THAT NEVER ENDS

A LONG WITH THE SHIFT FROM SEEKING SUCCESS within Congress as an institution to seeking national attention and interest-group financial backing went a shift in corporate campaign contributions in the 1970s—away from incumbents and toward challengers.

The great bulk of business contributions had always gone to sitting congressmen, even liberal Democrats, on the “bird in the hand” theory. During the 1970s, as seniority broke down, conservative chairmen lost their ability to control liberal younger members, who at times seemed out of touch with the reasonable requirements of business. Concurrently, oil companies were finding both that they had huge sums of money at their disposal and that they were under political attack, by means of the windfall-profits tax and other measures. Having the money to spend and the desire to spend it, oil companies broke tradition and began to funnel money to challengers; they hoped either to defeat the incumbents or to make them so nervous that they would fear their own shadows. Other business groups joined in. By the time a few “safe seat” senior members who had always played by the rules lost re-election bids, a new type of electoral anxiety was created.

As it happened, the attack by business on incumbents had less effect than anticipated: congressional “mortality rates” are about the same today as they were in the 1950s, and as the anti-business mood of Congress has dissipated, corporate funding has returned to its traditional pattern. In 1984 business contributions favored incumbents by a wide margin. Another force has arisen to feed the anxiety: an explosion in single-interest groups and independent negative-campaign organizations like the National Conservative Political Action Committee, which specialize in attack. NCPAC may not be the juggernaut it once appeared. Its track record of defeating incumbents is modest, and in several races NCPAC’s efforts have backfired. But the proliferation of groups like it, armed with millions of dollars, has kept the re-election anxiety level on the high plane to which business first raised it. In the 1982 congressional elections the largest single pool of money was the \$64.3 million spent by “nonconnected” ideological PACs. Total corporate PAC spending, in contrast, was \$43.3 million.

Most of the money spent by ideological PACs is used to attack someone or something, rather than to propose constructive solutions. Negative views sit well with the public in the wake of two Presidents in a row—Carter and Reagan—who have campaigned “against Washington.” “Americans are by nature skeptical of authority, and inclined to believe the worst about government,” Representative Willis Gradison, of Ohio, says. “This makes an anti-Washington or anti-Congress campaign the easiest type of campaign to sell to voters.” It also profoundly affects the tone of politics, making congressmen feel that they must endlessly justify themselves by endlessly campaigning: merely being in Washington renders them guilty until shown innocent.

This campaign trend and the growth of television interact with each other in a diabolical way. “Today, if you can’t sell an issue in twenty seconds, you can’t use it,” Representative Synar says. “It only takes twenty seconds to say ‘Your congressman is against prayer.’ It takes me five minutes to explain why that’s wrong. But television won’t give me five minutes. Television demands that I boil everything down to a single sentence.” Synar adds that the only way he can reply to a negative charge within twenty seconds is with another negative, knocking the ball back into his opponent’s court. This need to be negative suits perfectly the internal imperatives of television, which congressmen are increasingly aware of and anxious to satisfy. Television producers assume that they are struggling to grab viewers’ attention every second the set is on: most viewers are eating, reading, talking, or otherwise distracted. Emotional facial expressions and confrontations tend to make them look up from dinner, and thus are prized.

Confrontations also have human story lines that can be grasped by someone who just walked into the room. Even the viewer who wants to be well informed about public policy, if he walks in when a complicated discussion is in progress, may assume that he has already missed too much and change channels, whereas the viewer walking in during an argument can immediately pick up on what’s happening. Whether Gary Hart’s “new ideas” were good or bad, television reporters tended to skip over them during his presidential-nomination campaign, because they were complicated and took too long to explain. The fact that Hart had changed his name and signature, however, could be communicated in a single sentence, and called forth emotional reactions that made for lively television. During the much-publicized Roger Mudd interview, Mudd addressed seventeen questions and comments to Hart. Only one of the seventeen concerned an issue. All the rest were about style or were confrontational questions designed to provoke emotional responses. “Why do you imitate John Kennedy so much?” would embarrass any candidate who was imitating Kennedy and anger any candidate who wasn’t—the perfect television question.

Congress has made a seemingly minor internal-policy change that fuels the endless campaign: it now pays for members to shuttle back and forth between Washington and their districts. In the 1960s congressmen were allowed up to twelve trips home a year. Now they get expense accounts sufficient to pay for about forty trips. Between government-financed trips and those financed by trade associations and other groups, most members of Congress now go home almost every weekend.

The fact that congressmen are out of town on weekends has led to a significant decrease in personal contact among them. Congressmen who don’t know one another are more likely to believe the worst of one another’s motives, and to lack a sense of common purpose. The introduction into the House, in 1974, of an electronic voting system that employs magnetic key cards has also played a role in this change. Jack Gregory, an official in the Office of the Clerk

of the House, says, "Before electronic voting, it took the House forty-five minutes or so to read the rolls. Members were physically compelled to be in the chamber during that time, and they didn't have much to do, so often they would chat and get to know each other. With electronic voting, they can breeze in and breeze out."

Representative Udall recalls how different it was when his brother, Stewart, was a congressman, in the 1950s: "He used to drive here from Arizona with the kids in January, and then in June they'd drive home for the summer. If there was a fall session, Stewart would drive back here alone and the kids would go to school in Arizona through the fall; then he'd drive back home at Christmas to get them. That was all—two trips a year at the most." Now, Udall says, he himself flies back to Arizona thirty-five weekends a year, and sometimes during the week. "From a campaigning standpoint, it means you no longer have that excuse, when someone wants you to appear, of saying you won't be back in town for three months. They know you can get on a plane." Congressmen from the western states spend about one day a week in transit, flying back and forth. To accommodate them, congressional schedules are arranged to be light on Mondays and Fridays, and thus are all the more hectic in the middle of the week. Another result of all the traveling and campaigning is simply exhaustion. Synar says, "I am tired, physically tired, all the time, and so are most of the members I know. Tired people do not always make clear decisions."

BIG MONEY, BIG ANXIETY

MONEY RARELY BUYS ELECTIONS. IN 1982 THE Republican Party raised five times as much money as the Democratic Party, but the Democrats won more seats. Money can, however, buy individual congressmen's votes on a bill, or distort congressmen's thinking on an issue—normally all an interest group needs to achieve its ends. Most important to the structure of Congress, the velocity at which campaign spending has increased over the past ten years has engendered a permanent state of anxiety in which congressmen can never stop worrying about fund-raising and the compromises it entails.

In 1974 a total of \$72.5 million was spent on congressional races. In 1982 the amount had risen to \$289 million, a 300 percent increase during a period when the consumer price index rose 96 percent. In 1974 the mean expenditure per candidate for the House was \$53,000; by 1982 it had risen to \$228,000. Those running for senator spent an average of \$437,000 apiece in 1974, \$1.8 million in 1982. Most of the new money came from PACs, from direct-mail solicitations, and from individuals giving at the behest of PACs—business executives who "voluntarily" made individual contributions to candidates designated by their firms, for example. Most of the new money has been spent on television, usually for ads that say little or nothing about matters of substance.

These numbers are impressive enough in themselves, but they represent only part of the picture. Two almost entirely new categories of campaign spending came into being in the 1970s—the nonconnected negative spending of ideological PACs and the "soft money" spending by groups that in order to get around campaign laws are not officially tied to candidates (most of the big money spent in 1982 for conservative Republicans fell into this category, as did Walter Mondale's "delegate committee" spending in the Democratic primaries). Of the \$190 million spent by all PACs on the 1982 congressional campaign, only \$84 million went to candidates; the rest went to negative spending or to soft-money commercials in support of candidates who theoretically had no idea that the commercials were being made. In many races the amounts of nonconnected negative and loosely connected soft money spent were greater than party contributions to the candidates; for example, direct contributions to 1982 Republican candidates by the Republican Party averaged \$18,000, but soft-money expenses to assist them averaged \$264,000.

The rapid acceleration of political spending has taken place for many reasons, among them changes in the campaign laws, an increased focus on Washington as both a cause of national problems and a source of lavish bailouts, and the greater use of ever-more-expensive television time. When the campaign-reform laws of the early 1970s were passed, the pattern of political giving was for unions to collect small sums and donate them to Democrats through proto-PACs like the AFL-CIO's COPE; for small contributors on both sides to send money more or less spontaneously, usually to addresses they found on campaign brochures or at the end of television appeals; and for wealthy businessmen to give large sums to Republicans, in order to receive tax advantages and to win reputations as players. After Watergate left many large donors either indicted or humiliated because their contributions had wound up in the hands of the burglars, businessmen were happy to take a lower profile and find an impersonal means—the PAC loophole in the new laws—for their gifts.

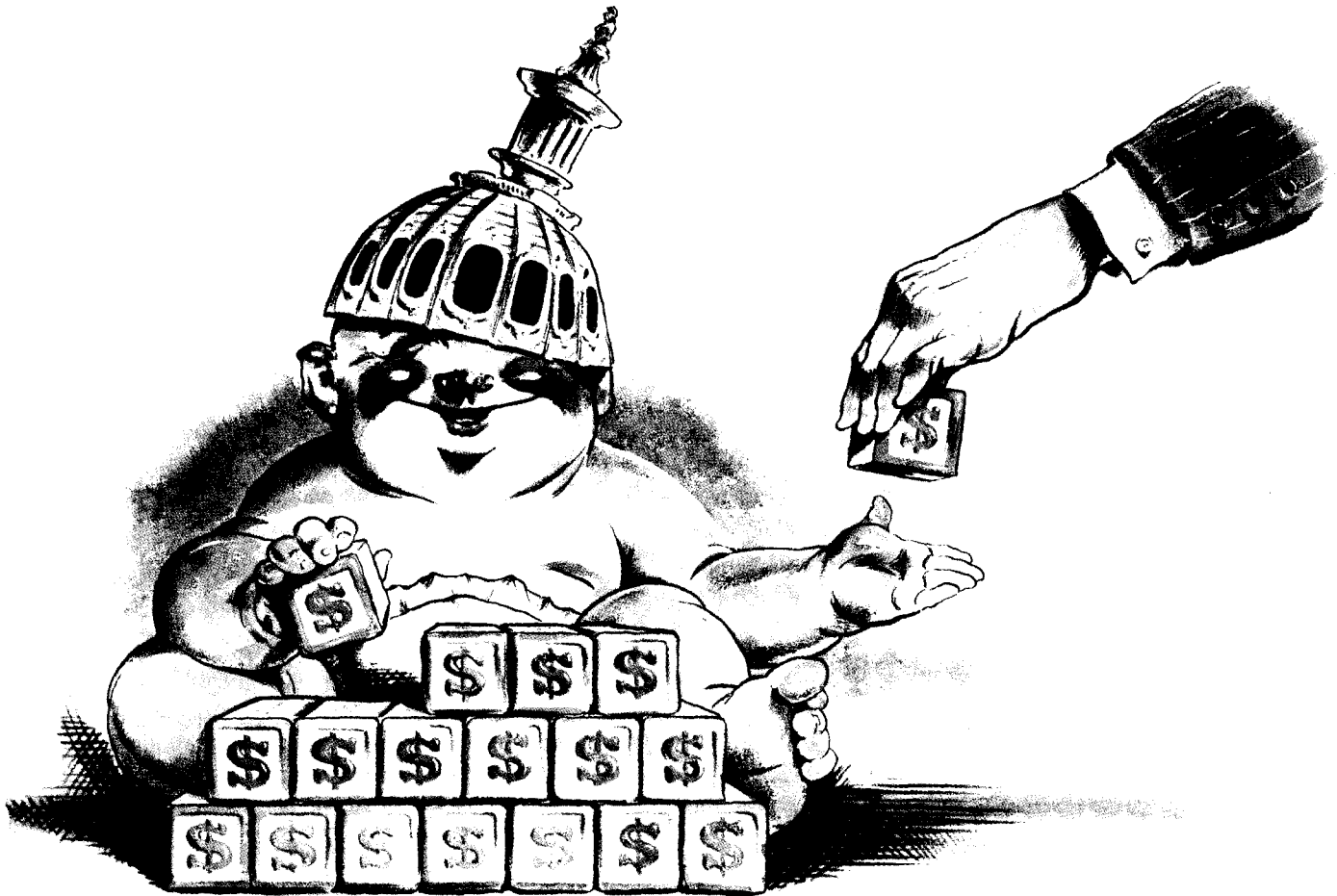
Between PACs and direct mail it has become possible to raise very large sums on a routine basis, and the new political environment of obsession with Washington makes it likelier that companies and individuals will respond when asked. New money-raising tends to appeal to the lowest common denominator, relying on negative pitches, scare tactics, and exaggeration—all political standbys, but refined with targeted marketing techniques.

Political expenditures now function roughly like an arms race in which neither side wants to keep raising the stakes but each is afraid that if it stops, its opponent will not. (Like most weapons, most political contributions serve mainly to cancel each other out.) With expenses constantly rising, there is no telling how much will be needed for next year's race; several of the congressmen I spoke to said they had lost track of what a "reasonable" total campaign expense might be. So, in the manner of the protagonists in an arms race, congressmen feel compelled to stockpile.

It's there for the asking—who could resist? Representative Henson Moore, of Louisiana, had \$332,000 left over when he won re-election in 1982 by 87 percent of the vote, and he has continued to raise money at an unflagging pace, adding another \$273,000 through 1983 and the first six months of 1984. Representative Dan Rostenkowski, of Illinois, raised \$519,000 for the 1982 campaign, although he ran nearly unopposed, and raised another \$168,000 in 1983. Rostenkowski is the chairman of the tax-writing Ways and Means Committee, whose members, along with those of the parallel Senate Finance Committee, have the easiest time obtaining donations, since they are in the best position to do specific money favors for specific industries.

Similarly, in 1974, the year of the reform laws, two or three checks from wealthy sources could have supplied the mean of \$53,000 spent in a House campaign. Today, to raise a large number of contributions, each small compared with the total amount required, a congressman takes advantage of every possible PAC source, and that means making promises to every special interest at every turn.

As a result, congressmen now owe their first loyalty to PAC interests rather than to party or public interests. Corporate lobbyists generally want small favors—a vote on a bill, sometimes as little as a few words inserted into a regulation or a different effective date on a tax provision. Because the favor requested is small and specific, congress-



That campaign-law reforms accidentally encouraged PACs is widely known, but the greater irony is that they have made congressmen *more likely* to sell out, and to do so on a wider range of issues. Contributions are now limited to \$1,000 for individuals and \$5,000 for organizations. What is \$5,000 to a congressman who must raise \$228,000? Not much, unless he can snare every offer of \$5,000 that comes along. No individual contribution is particularly significant; only many gifts from many interests will suffice.

In years past a politician like Robert Kerr, senator from Oklahoma, might be in thrall to the oil interests but a free man on other issues. Two or three checks from the right bank account would have been enough to fund his cam-

men know that lobbyists will be watching closely to make sure it is delivered; and they know that, by the same token, very few voters will notice or care whether a commodity-straddle exemption is retroactive to 1982 or 1981. This makes possible a relationship between PAC donations and specific votes that is not possible between PAC donations and general-election returns.

BEST CONGRESS MONEY CAN BUY stories have grown so familiar in recent years that they have lost their power to scandalize and are now thought of as the naive complaints of good-government wimps. What kind of national government is it where selling out is so widespread, so generally *accepted*, that it no longer causes outrage? In the House re-

cently there have been two rival versions of the Superfund bill for the cleanup of toxic wastes; studies by the Congress Watch organization recently discovered that representatives who sponsored the mild version, favored by business, averaged \$4,784 in contributions from chemical-company PACs; those who sponsored the strict version averaged \$532 from such companies. Since 1981, another public-interest group has found, representatives who regularly voted for bills favored by nuclear-power interests have averaged nearly four times as much in donations from companies in nuclear fields as those who regularly voted against. These are but two of many examples.

There is another reason that congressmen are so concerned with campaign fund-raising: sometimes they can keep the money. Campaign law allows retiring congressmen to convert unspent contributions to personal use, as a sort of informal retirement bonus. So the more a congressman raises, the more he can make—an exceptionally powerful financial incentive not to rock the boat and upset interest groups. When Representative Ray Roberts, of Texas, retired, in 1981, he took with him \$13,014 from his campaign fund. In 1979 Congress amended the campaign laws to end such “closeouts” for future congressmen, but those voting took pains to exempt themselves: any congressman first elected before 1980 will be allowed to keep his campaign funds when he retires.

Congressmen who raise more than they need can also use their money to make contributions to each other. Many now have their own personal PACs—Rostenkowski; Stephen Solarz, of New York; and Henry Waxman, of California, among them. Congressmen make donations to assist congressmen of like philosophical slant and to increase their own influence in Congress and within their committees. Well-heeled congressmen competing for the affections of other congressmen through internal PACs have become another force for congressional fractiousness.

An interest group wishing to make a cash payment to a congressman need not resort to the roundabout means of investment in a retirement fund: it can simply give an honorarium for a speech, money that goes straight into the congressman’s pocket. Eleven senators earned more in 1983 from speaking fees than from their salaries. Richard Lugar, of Indiana, netted \$129,065 (after contributions to charity) from honoraria; Robert Dole, of Kansas, netted \$106,917; and twenty-one senators took in more than \$50,000. Corporations pushing a bill that limits product liability paid \$34,000 to Senator Paul Laxalt, of Nevada, \$30,350 to Senator Orrin Hatch, of Utah, and \$26,250 to Senator Kasten from 1981 through 1983. Similar fees have been paid by other lobbying interests to other congressmen for speeches, and *paid* is the proper word: while congressmen use the word *honoraria* to make their appearances sound like some lofty philanthropic activity, anyone else who makes a speech in return for a fee is referred to as paid.

Honoraria are possible because Congress excluded itself from the conflict-of-interest regulations it imposed on oth-

ers. If a White House aide accepted \$34,000 from a company trying to influence the Administration’s stand on the product-liability bill, there would be loud calls in Congress for the aide’s head. Edwin Meese’s nomination as attorney general was thrown into limbo because Meese borrowed less than congressmen routinely take.

Congressmen also suffer from anxiety relating to their own salaries. Inflation has reduced the buying power of congressional pay by about 40 percent since 1972, while the salaries of corporate executives have gone into orbit. Both senators and representatives make \$72,600 and have an honoraria limit of \$21,780 (a law limiting honoraria to 30 percent of a congressman’s salary was passed recently, after bad publicity about the huge fees).

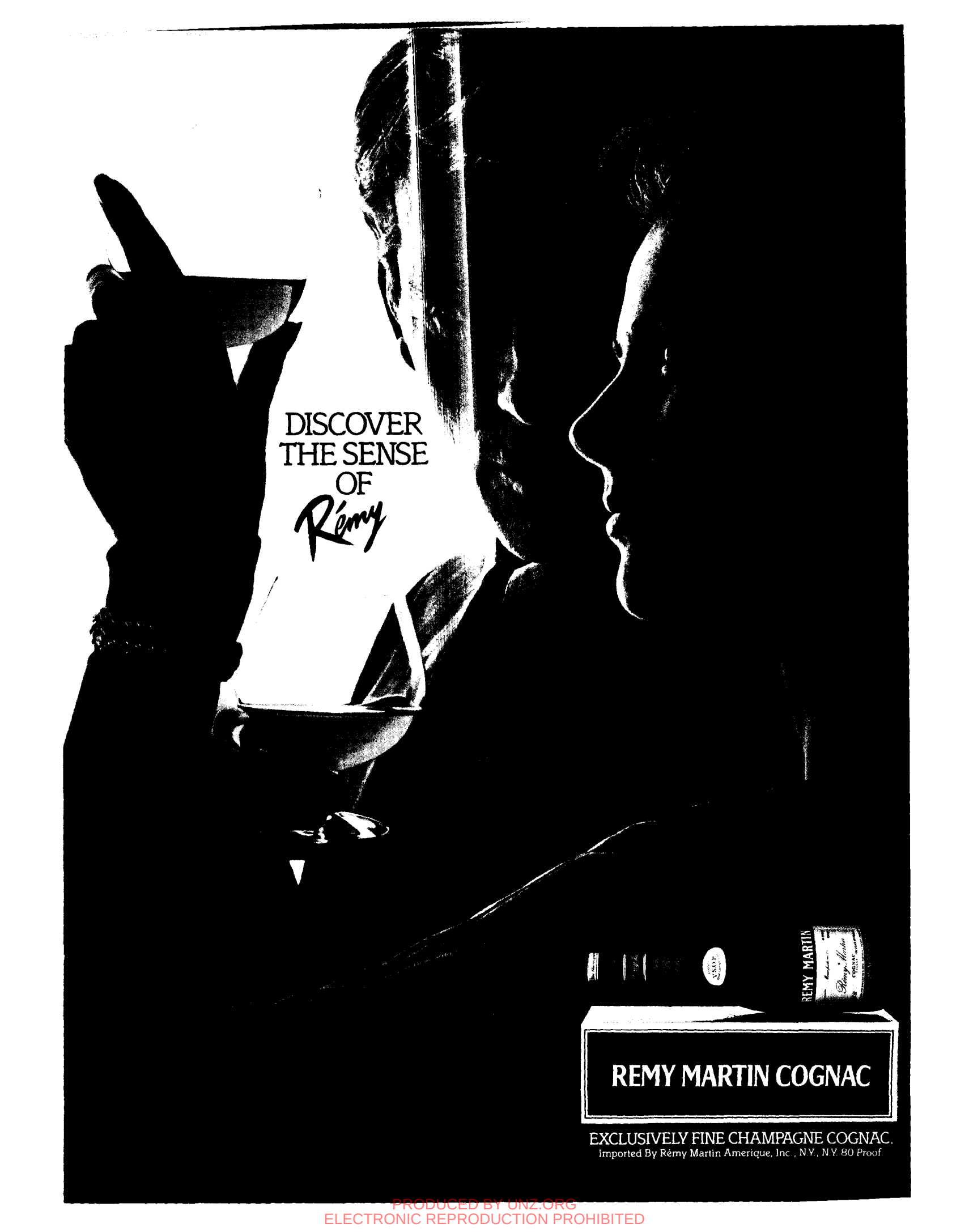
Yet congressmen spend their time determining the fates of people who make substantially more—lobbyists earning \$150,000 to \$500,000 a year solicit them, television newscasters pulling down six-figure salaries (thanks in part to monopoly licenses Congress gave the networks) interview them, corporate executives beg them for tax favors and import restrictions that will translate into higher executive bonuses. The resentments that arise may not reflect favorably on those who profess to be public servants, but they are nevertheless real and they prey on congressmen’s minds, especially since congressmen tend to view themselves as executives of the world’s largest and most important corporation. So whereas \$72,600 a year is a lot to the average person, it can easily seem paltry to a congressman; the resulting salary anxiety both distracts congressmen from the people’s work and encourages the type of rationalization according to which there’s nothing wrong with taking \$5,000 from a chemical company and voting on its bill the following day.

Congress voting itself a raise is among the most charged of all political topics, yet the public might find it far cheaper in the long run to give congressmen a sizable increase—say, to \$100,000—while barring them from outside income of all kinds. The extra few million could be a bargain compared with the money that would be saved if congressmen no longer had an incentive to avert their eyes from billions in cost overruns and sweetheart deals, just to be able to skim a few thousand off for themselves.

MULTIPLE LOBBYING

THERE ARE SO MANY LOBBYISTS TODAY LARGELY because there are so many opportunities to lobby. The breakdown of the seniority system and the weakening of congressional leadership has drastically increased the number of people on whom the touch must be put.

A well-informed veteran lobbyist says, “There used to be two to five guys on each side [House and Senate] who had absolute control over any category of bills you might want. All you had to do was get to them. Now getting the top guys is no guarantee. You have to lobby every member



DISCOVER
THE SENSE
OF
Remy

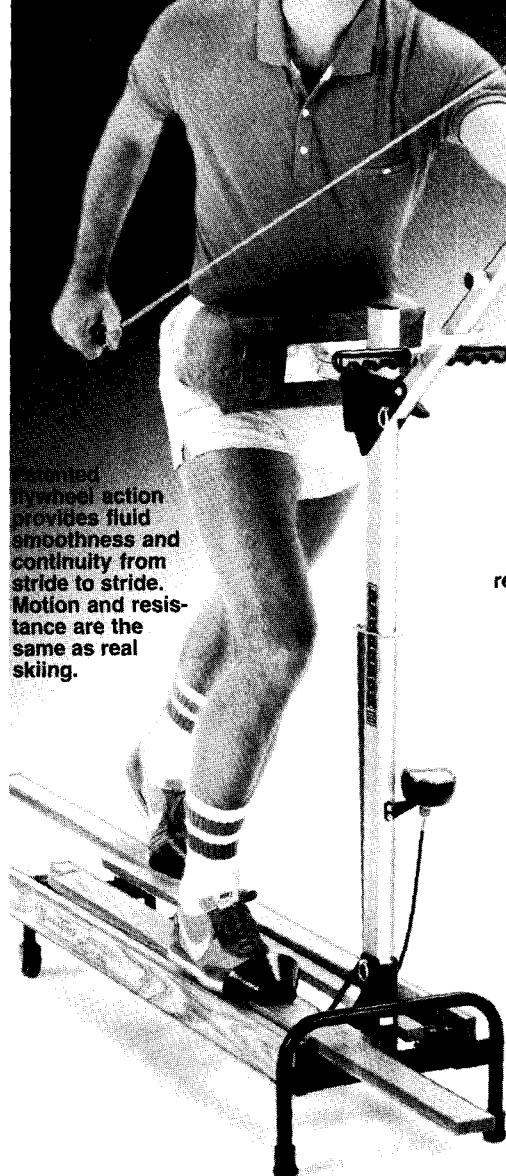
REMY MARTIN COGNAC

EXCLUSIVELY FINE CHAMPAGNE COGNAC.
Imported By Remy Martin Amerique, Inc., N.Y., N.Y. 80 Proof

Fitness Experts Rate Cross Country Skiing the
Best Fitness Exercise

Get the best with **NORDICTRACK** Jarless Total Body Aerobic Exerciser

Uniformly exercises
more muscles than
any other form
of exercise.



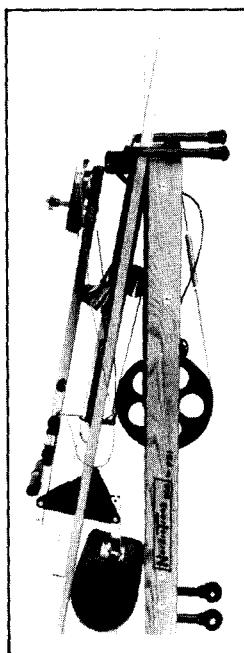
Cushioned pelvic pad
keeps user from moving
forward on exerciser.

Patented
flywheel action
provides fluid
smoothness and
continuity from
stride to stride.
Motion and resis-
tance are the
same as real
skiing.

Independent arm and leg
resistance settings are sep-
arate and variable.

Built to last! Solid red
oak frame.

Quiet motorless action.



*Better than jogging,
cycling, even swimming*

The enjoyable sport of cross country skiing is cited by leading physiologists as the most perfect form of aerobic exercise. Its' rhythmic total body motion uniformly exercises more muscles than other forms of exercise and its' smoothness causes no joint pain or damage. NordicTrack lets you get the same top fitness building benefits year round in the convenience of your home. NordicTrack eliminates barriers of time, weather, or chance of injury.

Very effective for weight control.

More complete than running

The unique NordicTrack exerciser works your arms and shoulders in addition to your legs. The motion is jarless so there is no risk to your joints.

More effective than exercise bikes

NordicTrack adds important upper body exercise and provides more uniform leg muscle usage. Higher pulse rates, so necessary for building fitness, seem easier because more muscles share the exercise.

Even better than swimming

When swimming, the water supports the body allowing major leg muscles to loaf. The stand up position on the NordicTrack exercises the leg muscles much more uniformly.

**TWO-YEAR WARRANTY
30-DAY TRIAL PERIOD
USE IN HOME OR OFFICE
FOLDS UP AND STANDS
ON END TO REQUIRE
ONLY 15" x 17"
STORAGE AREA.**

Call or Write for
FREE BROCHURE
TOLL FREE

1-800-328-5888

Minnesota (612) 448-6987

NORDICTRACK

PSI 124 Columbia Court
Dept. R
Chaska, Minnesota 55318

on every relevant subcommittee and even [lobby] the membership at large."

Another lobbyist, Eiler Ravnholt, who was for twelve years the administrative assistant to Senator Daniel Inouye, of Hawaii, and who now represents the Hawaiian Sugar Planters Association, adds that it has become necessary to lobby the expanded staff as well. "In the present environment congressmen spend so much time campaigning that they have no choice but to cede much of the legislative authority to their staffs," Ravnholt says. "During the 1960s it was not unusual to walk into the Senate library and see Sam Ervin sitting at a desk, researching a bill. Ervin was an exception, but not that much of an exception; until fairly recently many congressmen played active roles in the legislative detail work. Now they can't. Nobody can. The staff does the detail work, and so you must lobby the staff." And where before there were a few important individuals on the House and Senate staffs, now there are thousands.

And thousands of lobbyists. There are 6,500 registered lobbyists in Washington (twelve for every congressman), but the figure does not include trade-association officers, lawyers working on retainer to clients, or liaison officials of corporations with Washington offices. The generally accepted total is about 20,000, or thirty-seven lobbyists for every congressman. Determined interest groups often hire several lobbyists, whose contacts grant access to different sectors of Congress. Brewers pressing for a beer-distribution-monopoly bill have, for example, hired the firm of Wagner and Baroody (all-purpose lobbying), Kip O'Neill, son of Tip O'Neill (access to Democrats), the former congressman John Napier, of South Carolina (access to Republicans), and Romano Romani, a former aide to Senator Dennis DeConcini (access to senators). So many lobbyists in Washington now represent so many overlapping interests that a subspecialty has sprung up—lobbying among lobbyists.

The budget process has been a veritable boon to the lobbying profession. With multiple votes, there is a steady progression of brush fires for lobbyists to stamp out—increasing their clients' anxiety and willingness to pay high fees—and also many more opportunities for a lobbyist to make his case. "Now they can wear you down," Senator Patrick Leahy, of Vermont, says. "You might be able to hold out for the public interest on the first, second, third, fourth, fifth votes, but on the sixth vote they're back again, and many give in."

Unlike the public, whose attention fades from an issue when it appears that the struggle has been fought and finished (HOUSE KILLS MX), lobbyists have an interest in duplication. Billing by the hour, they are only too happy to have the process drag on interminably. And their attention does not wander: the many minor budget votes that become a blur even in the minds of congressmen are a perfect vehicle for quietly winning concession after concession. Representative Udall says, "The more fragmented the system is, the easier it is for pressure groups to exert

control. This is a side effect of our reforms no one anticipated."

When a House-Senate conference committee working on the "deficit down payment" bill went into all-night session last June, the other congressmen went home, but the lobbyists stayed. As Rostenkowski and Senate Finance Committee Chairman Dole emerged with an agreement at 5:30 A.M., they found about a hundred lobbyists still sitting outside the conference room. Among the 282 provisions of the bill, which was supposed to *reduce* the deficit, was a new \$1.4 billion tax break for insurance companies; \$600 million in reduced capital-gains taxes; \$300 million in extra benefits for commodity traders, mainly in Rostenkowski's home town, Chicago, who had used tax straddles (the benefits were for "professional" traders, not ordinary citizens—only for the people who were supplying the money Rostenkowski doesn't need), and other favors.

So pervasive are lobbyists in Congress that it is not uncommon to see them crowded outside the main chamber doors in the House and Senate giving thumbs-up or thumbs-down signals to congressmen rushing in for roll-call votes. Photographers are forbidden to take pictures by the chamber doors, so they cannot capture this spectacle. Lobbyists became upset recently when, in the wake of the Senate bombing, Capitol security passes were issued. The lobbyists were granted access privileges, but their passes were blue, whereas staff passes were red or yellow and press passes green; this made it easy to tell when a congressman was in the company of a lobbyist. Fortunately for lobbyists, it has become fashionable on Capitol Hill to wear one's pass tucked into one's shirt pocket.

Ideological lobby groups have increased in number since the early 1970s; most specialize in anti-politics and take pride in bringing Congress to a halt. The increases in roll-call voting have been caused partly by ideologically extreme congressmen who demand recorded votes even when they know they will lose, in order to create a record they can run against—a sort of anti-Washington index. In the winter of 1984, when the school-prayer issue was at its peak, many senators felt that a silent-prayer amendment stood a good chance of passing. But Reagan Administration lobbyists were adamant that a silent-prayer amendment not be allowed on the floor, for the very reason that it might succeed. They were hoping instead to lose a roll-call vote on vocal prayer and thereby create a convenient list of "against prayer" Democrats for Republicans to attack during the fall campaign.

Like expanded staffs and extra subcommittees, interest groups, once they are formed, take on lives of their own. Senator Leahy explains, "Say a group is created to campaign for an issue, like school prayer. Once it has a director, a staff, and a mailing list, it is not going to go out of business if the staff has anything to do about it. They will look for another issue. Half of the interest groups are really running on self-interest, the interest of the staffs in keeping their jobs." Jesse Helms's National Congressional Club, as the journalist Tina Rosenberg has document-

IT RUNS THO PROGRAMS AS

If you have to plan, figure, write, organize, predict or communicate, the NCR PC 4 can help you do it easier and better.

Because the NCR PC is compatible with thousands of off-the-shelf programs available through your local PC dealers.

From the best-selling 1-2-3™ by the Lotus™ people to all sorts of other programs for business, education or just plain fun.

But besides getting more software to choose from you get more computer to work with.

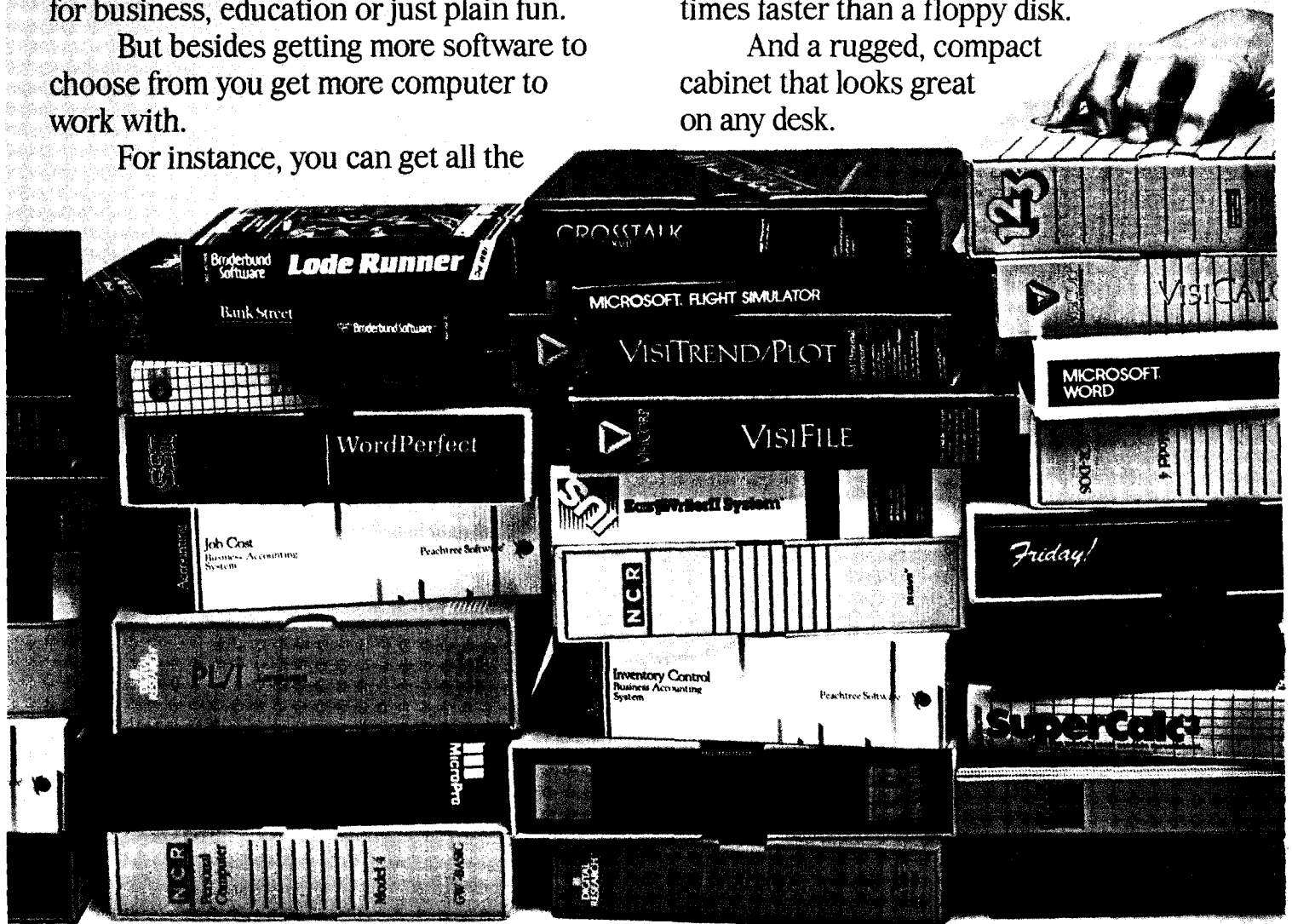
For instance, you can get all the

memory you need—all the way up to 640K.

An enhanced keyboard with separate cursor keys and separate numeric key pad that make it easier for you to work with spreadsheets and data base programs.

A special program called a RAM-DISK that acts as a super fast disk drive. It allows you to access information up to 15 times faster than a floppy disk.

And a rugged, compact cabinet that looks great on any desk.



© 1984 NCR Corporation

Lotus and 1-2-3 are trademarks of Lotus Development Corporation. GW-BASIC is a trademark of Microsoft Corporation.

USANDS OF EASY AS 1-2-3.

Plus extras others charge extra for.

Like built-in serial and parallel ports.
Disk and video controller boards. Plus the
standard operating system, GW™ BASIC and
self-teaching programs to get you started.

The NCR PC is also compatible with
industry standard hardware. So you can
attach all kinds of fun things to it. Like a
mouse, a modem, a printer, a hard
disk, a graphics board, etc.

In short, the
NCR PC is exactly
the personal com-
puter you'd expect

from a company that's been doing business
with business for 100 years.

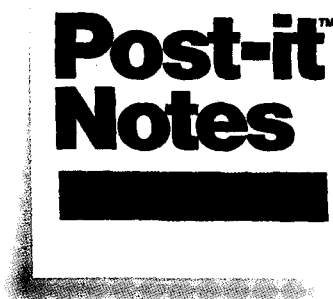
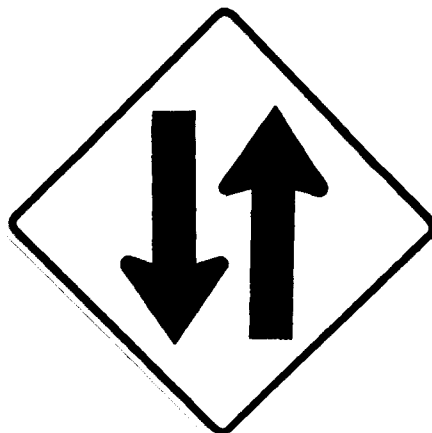
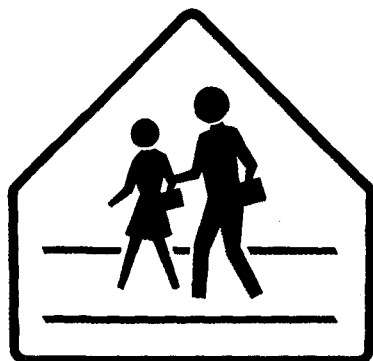
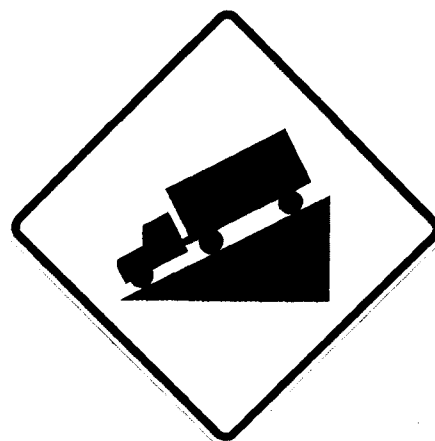
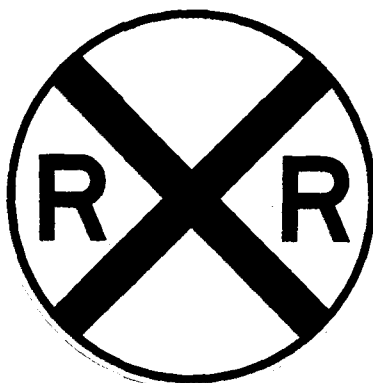
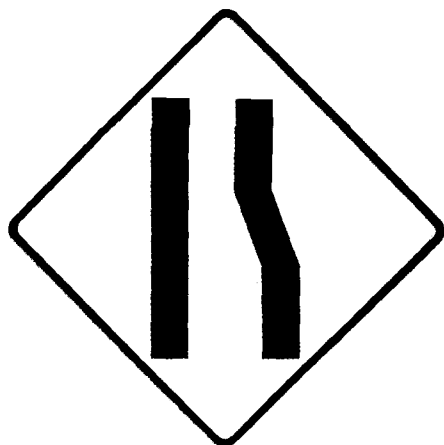
See your Authorized NCR Personal
Computer Dealer. He'll be glad to show you
how easily the NCR PC
can make things easier
for you.

For the name of
your nearest dealer
call toll-free
1-800-544-3333.*

**A BETTER PERSONAL COMPUTER.
IT'S EXACTLY WHAT YOU'D
EXPECT FROM NCR.**



*In Nebraska call 1-800-343-4300.



YELLOW IS A SIGN OF IMPORTANCE.

That's why people with important business messages use our Post-it[™] Notes adhesive note pads. Bright notes that stick virtually anywhere. To make sure your messages get noticed. Call 1-800-328-1684 for a free sample. Then get more Post-it Notes from a nearby stationer or retail store. And start getting the recognition you deserve.

Commercial Office Supply Division/3M

3M

ed, raised \$9.3 million during the 1982 election cycle, ostensibly to aid conservative causes, but gave away only \$150,000; fully 98 percent of the contributions went to salaries and overhead.

Congressmen have many money-related reasons to be tolerant of lobbyists, among them that an increasing number of retired or defeated congressmen are staying in Washington to become lobbyists themselves. Of 856 living former congressmen, roughly 25 percent are still in the Washington area—although fewer than one percent came from the Washington area originally. Every longtime Washington observer I have spoken to agrees that the percentage of congressmen staying in Washington is much higher today than it was in the past. Even the percentage of offspring and siblings in lobbying is up, as Bill Keller, of *The New York Times*, has written. Besides Kip O'Neill (whose firm lobbies for sugar and cruise-ship concerns in addition to beer), there is Robin Dole, daughter of Robert Dole (a lobbyist for Century 21), Jamie Whitten, Jr. (steel, barge, and cork interests), Virginia Brown, daughter of House Majority Leader James Wright (National Association of Homebuilders), Michelle Laxalt, daughter of Paul (oil, Wall Street, Hollywood), John Laxalt, brother of Paul (South Korean industry), James Schroeder, husband of Colorado Representative Patricia Schroeder (Israeli interests), and others. Everybody's doing it—why not me? Or my family?

Even the number of Congress's internal lobby groups, or caucuses, has risen. Today twenty-seven formal caucuses have staffs and receive federal funds; another sixty operate informally out of members' offices. Current caucuses include the Senate Copper Caucus, the House Footwear Caucus, the Congressional Port Caucus, the House and Senate Steel caucuses, the Senate Tourism Caucus, the Congressional Crime Caucus (not a fund-raising group), the Senate Rail Caucus, the Congressional Coal Group, the Congressional Jewelry Manufacturing Coalition, the Congressional Alcohol Fuels Caucus, the Senate Children's Caucus, and the Congressional Mushroom Caucus.

NO FUN ANYMORE

"I OFTEN FEEL THAT BY THE TIME I ARRIVED IN CONGRESS, in 1974, the fun was over," Representative Gradison says. "All the landmark legislation, the laws that were exciting and glorious to take part in, had been passed. Now the bills were beginning to fall due, and there would not be glorious work for us, just the struggle to pay those bills."

Through the 1960s and early 1970s Congress made history time and again: the Civil Rights Act; the Voting Rights Act; the Clean Air and Water acts; Medicare and Medicaid; the Resource Conservation and Recovery and Toxic Substances Control acts, which started federal action against toxic wastes; new federal housing programs and aid to education; the successful battles against Nixon

and the seniority system; public financing for presidential races; disclosure laws for federal candidates and officials—the list goes on.

Twenty years ago a congressman looking at the nation saw *wrongs*, like legally sanctioned discrimination, that could be righted simply by changing the law. It can be argued that today's political horizon is far different. There are many intractable dilemmas, but few open-and-shut cases such as raw pollution being pumped into a stream. Most current social problems don't have self-evident solutions of the type that Congress could codify in bills and announce tomorrow. Stopping the poll tax against blacks was one thing; moving an entire generation out of the ghetto and into the economic mainstream is quite another, and it's not at all clear how that can be done.

Congressmen face, instead, the tasks of reining in dramatic programs of previous Congresses and cutting the deficit, which are neither politically glamorous nor pleasant tasks. "They build statues and name schools after people who promote great programs," Representative Bill Frenzel, of Minnesota, says. "They never build statues for people who have to say no."

Indeed, what with the fragmentation of Congress, the inherent unpleasantness of cutbacks, and the eye-glazing vista of deficits of \$172 billion, it becomes difficult for congressmen to take seriously the idea that any one particular cut matters. Everybody's taking what they can get—why should my program be the one to suffer when the deficit is so vast? What difference could another few hundred million possibly make?

Traditionally, congressmen find it easiest to advocate a bold new spirit of austerity in someone else's state or district. But there is a sense in which congressmen do not even mind excessive spending in other districts: it creates an atmosphere in which overspending is the norm and money for pet programs is less likely to be challenged.

In June, when the \$18 billion water-projects authorization bill was about to go to the House floor, James Howard, of New Jersey, the chairman of the Public Works Committee, circulated a roster of the House with black spots next to the names of members in whose districts were programs he planned to attack if they voted against the water bill. Included in the Public Works Committee's bill was \$189 million for a dam in the district of the committee's ranking Republican, Representative Gene Snyder, of Kentucky. Representative Harold Wolpe, of Michigan, who got a black dot, told T. R. Reid, of *The Washington Post*, "You always hear rumors in the cloakroom that they'll kill your project if you dare to oppose anybody else's, but this is the first time I've ever seen them put it on paper. . . . It's extraordinarily blatant." The more spending in general, the more for my district: everybody does it. Any congressman who goes after another congressman's program knows his will be attacked in turn, both by the congressman and by the program's PACs and lobbyists. Even a congressman who might be willing to accept a cut in his own district knows that in the present undisciplined environment he

would be played for a sucker; no other congressmen would join in the sacrifice.

This attitude helps explain why, for example, nearly every congressman favors cutting the defense budget in the abstract but votes to preserve the individual programs that make up that budget. In 1983 Congress *added* \$4.6 billion to the Pentagon appropriations that President Reagan had asked for. Defense lobbyists in particular are adept, when budget showdowns approach, at avoiding any discussion of whether their projects are the efficient or otherwise proper

EMERSON ELEMENTARY

Thirty children warm a classroom
with their radiant bodies. Their faces
as they sing are imperfect circles:
eyes, cheeks, each mouth's amazed,

amazing O. *Brightly shone the moon
that night, though the frost was cru-el . . .*
They are so young only a few can read.
The teacher stays just ahead,

showing with her own bright lips
what to say: *when a poor man
came in sight, gath'ring winter fu-u-el.*
No matter how slowly she goes

they stumble over *Wenceslas*. Some giggle,
a few are distraught. They believe entirely
in what they sing, they would give
the poor man their sandwiches

and shoes. Even so, they have not
charity for the bereft and sour-
smelling among them, as if
they thought a bowl must be refilled

only with what it has held.
As if those brimming with mercy
must not spill a drop. The teacher
sees now, almost before the children,

which ones are unlovable. She keeps her hands
to herself, chaste as a lighthouse
rehearsing the possibilities
of shipwreck for motley sailors.

—Sharon Bryan

choice, and at framing the issues strictly in terms of jobs: Congressman, this vote represents 2,000 jobs for your district. Any government expenditure creates jobs—the question is what jobs are best for the nation when national needs, finances, and policies are weighed. But this question is seldom posed to an individual congressman. The question posed is, Do you want these jobs in your district today or not? Do you want your name on them or not?

These considerations apply to most government spending decisions, but they do so with unusual force in defense because of the twenty-second rule. A congressman who presses to reform specific defense programs will win little political credit. Few voters know or care what, say, an AGM-65D is; there's no reason why a voter should, and the benefits of Pentagon reform—lower deficits and greater national readiness—are long-term and directly felt by no one. At the same time, any congressman who challenges a military-spending program exposes himself to the twenty-second charge of being "against defense."

Cutting back and slowing down giveaways has never been fun. For example, it took a public outcry in the late 1940s to kill the excise tax and color restrictions on margarine, which were bald favors for the dairy lobby. But now the congressional agenda seems to consist almost entirely of no-fun issues, and there is no indication that Congress is ready to face them.

The results of the 1984 summer session are suggestive. Congress went into the session having passed the "deficit down payment" bill, which included \$50 billion in tax increases over a three-year period but only \$13 billion in spending cuts—mostly from Medicare payments, although \$1.6 billion of the "cuts" came from postponing payment of military retirees' cost-of-living adjustments (COLAs) so that they would fall in the next fiscal year. (On the same day that the House Budget Committee was making its "down payment," the full House was approving initial funding for the space station, which makes for a dramatic election-year announcement, and costs little now, but commits the nation to spending at least \$8 billion over the next few years to build the project and many billions more to operate it.)

During August two of the leading boondoggles at present, the Synthetic Fuels Corporation and subsidized operation of the Hoover Dam, came up for votes. There was a chance to kill synfuels subsidies, but only limited cuts were made, and \$8 billion was left in the program. Meanwhile, power subsidies for the Southwest, where electricity from federally financed dams costs about one twelfth what consumer-financed power costs in the East, were preserved and extended until 2017 at a cost of at least \$6 billion. These two acts alone wiped out all the cuts in the "deficit down payment."

Through the summer congressmen continued to try to have fun, passing new spending bills: \$1 billion extra for college financial aid, \$175,000 to study promotion of Iowa commerce, \$2.5 million for the city of Oakland to restore a presidential yacht, \$1 million for business loans in

Queens, \$12 million for a highway-safety "demonstration" program in Michigan, increases in the Corporation for Public Broadcasting's budget, then \$130 million, to \$270 million a year by 1989, an extra \$350 million in postal subsidies, \$500,000 for a golf course near Capitol Hill. Congress was only following the example of the President. At a news conference on July 24 he had condemned Congress and blamed its "do-nothing Democrats" for failing to pass a balanced-budget amendment. He went on to ask for a \$5 billion bonus Social Security benefit increase, a new IRA tax break, extra tax benefits for business in enterprise zones, and more tuition tax credits for private schools.

1920s, 1980s

HENRY BELLMON, A SENATOR FROM OKLAHOMA, RETIRED in 1980 to return to his farm near Billings, grow wheat, and raise cattle. He had been the ranking Republican on the Budget Committee; had he stayed, he probably would have become chairman. When I spoke with him, the latest Congressional Budget Office estimates had just been released. There would be a \$172 billion deficit this year (the all-time record, before Reagan, was \$66 billion). Federal borrowing would be \$175 billion, about the same as the deficit. Interest on those loans would account for \$110 billion, or close to twice the highest pre-Reagan deficit for interest alone: little principal would be retired.

The CBO projected that *even if economic growth continues unabated*, the deficit will be \$263 billion in 1989. If growth is moderate, the deficit will be \$308 billion. The CBO didn't calculate what might happen if there is another recession. "There simply aren't enough discretionary cuts left to affect deficits like that," Bellmon said. He proceeded to recite the basic breakdown of present federal spending:

Entitlements (mainly Social Security, Medicare, military and civil-service pensions): 45 percent

Welfare: less than one percent

Defense: 28 percent

Interest on the federal debt: 14 percent

Everything else: 13 percent

Percentage of present federal spending that is deficit spending: 20

Bellmon explained, "That means that if you cut out absolutely everything government does that is not related to entitlements or national defense, you would still have a deficit." Absolutely everything would include closing down the FBI, the State Department, the CIA, and all other federal agencies; ending all education grants and revenue-sharing grants to states and cities ("fiscally sound" local governments are financed in part by the federal deficit, although mayors and governors usually forget to mention that when they condemn the big spenders in Washington); stopping all farm price supports and all federal construction and maintenance of highways, bridges, waterways, subways, and dams; ending Federal Deposit In-

surance Corporation protection of bank deposits and cutting off all federally subsidized mortgage loans; closing down the National Aeronautics and Space Administration, the National Science Foundation, the Centers for Disease Control, the Smithsonian, and the National Transportation Safety Board; ending all border patrols and abolishing the Immigration and Naturalization Service; ending all air-traffic control, all inspection of nuclear-power plants, all monitoring of stock fraud through the Securities and Exchange Commission, all federal arts funding, all federal courts, all national parks.

"Under these conditions we have only three choices," Bellmon continued. "What must happen is either a major arms-reduction agreement with the Soviets that will allow us to cut back drastically on defense. Or a major reduction in the COLAs for everybody. Or a major tax increase. Those are the choices."

In other words, except in the unlikely event of a new détente, the message of politics in the 1980s must be, Expect less—either less Social Security and Medicare and lower pensions or less income after taxes.

In the 1920s society lived well beyond its means and pretended that tomorrow would never come. Is the United States Congress, in its present state, able to deal with tomorrow? Can it take the message to the voters that they should in every way expect less?

In early January the Ninety-ninth Congress will prepare to convene. The first few days, in which the party caucuses will meet to make committee assignments and alter rules, will set the tone for the next two years. Here are some possibilities congressional leaders might consider:

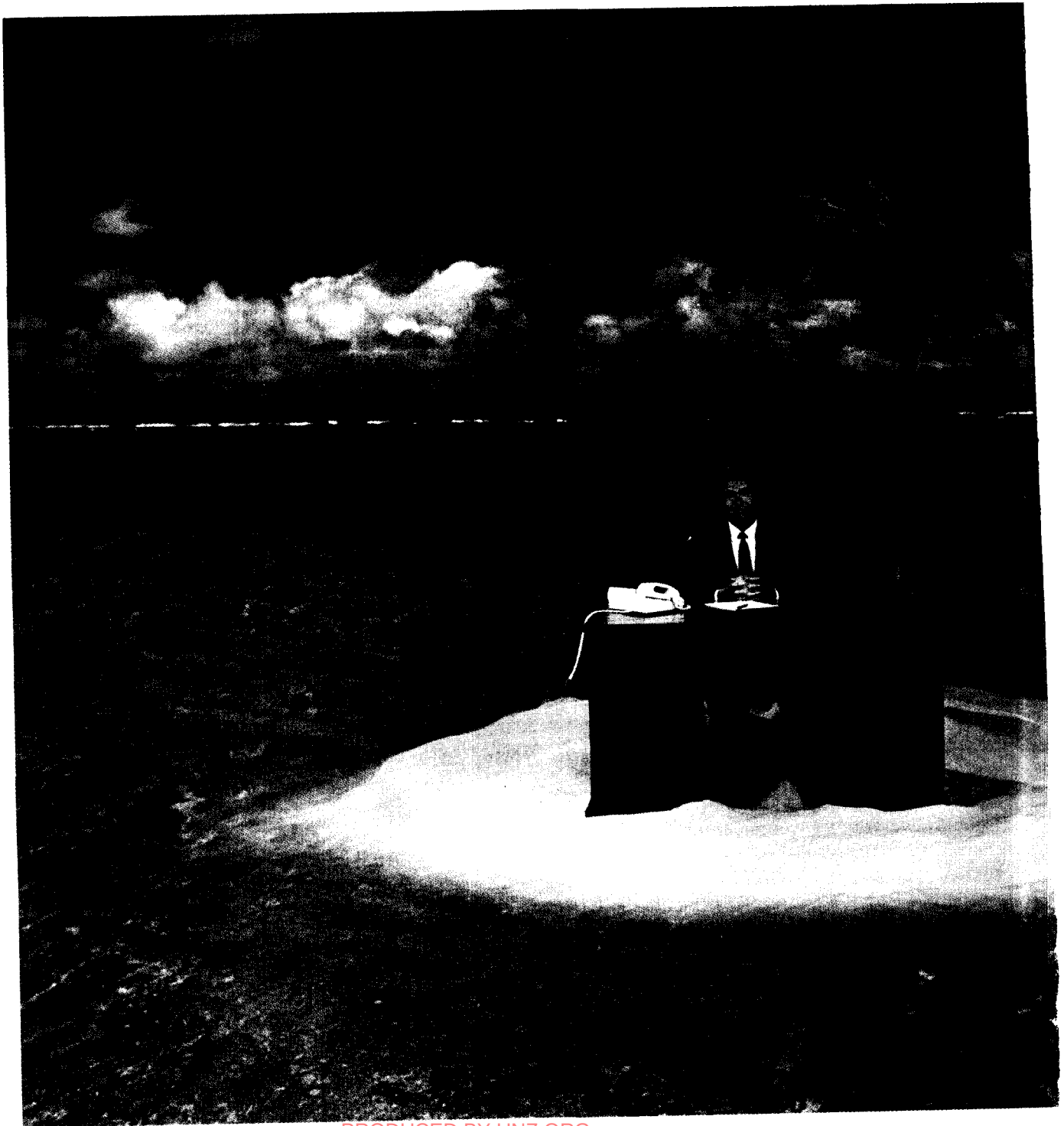
Committee structures should be combined and simplified; particularly, the quadruple budget/appropriations/authorization/revenue sequence should be reduced by at least one phase. The most logical and least turf-destructive reductions would be to combine the budget committees with the revenue committees, putting the combined groups in control of overall revenue-versus-appropriations ratios, and to eliminate the appropriations committees. Money and policy amount to the same thing. Why must Congress pretend otherwise?

Seniority-system reforms should be reeled back somewhat—not to return to the stagnant old days but to stop the tail from wagging the dog.

Congressmen should receive a substantial raise and in return be required to forsake all forms of outside income. They are supposed to function as judges of society's needs; they should be as far above reproach (and influence) as judges.

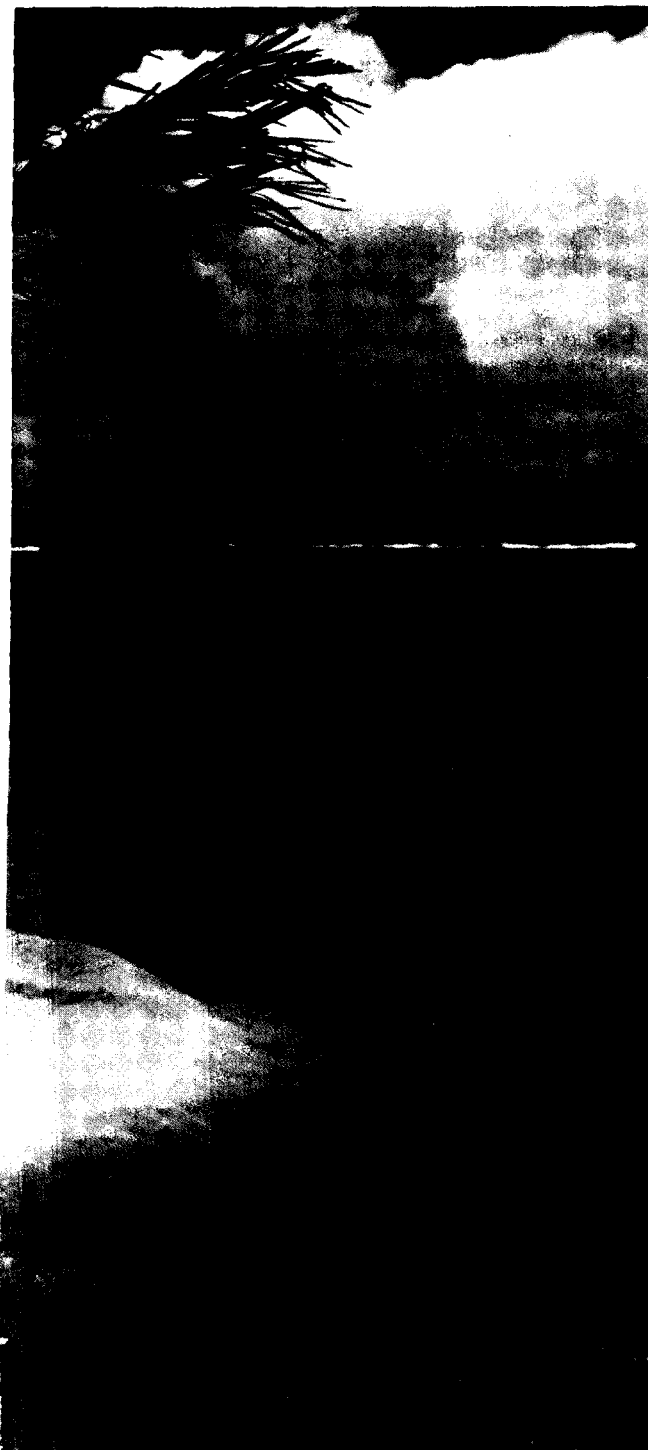
There should be an absolute freeze on present federal-spending levels, extending to all entitlement programs and defense. If Congress wanted to allocate more money to one program, it would have to take some away from somewhere else. Congressmen cannot hope to reverse the "everybody does it" mentality of deficit increases without a political tool—a means by which they can argue to constituents (in simple, twenty-second terms) that they would

WILL YOUR FO LEAVE YOU



PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

REIGN INSURER STRANDED?



If the current turmoil in the international insurance marketplace gives you the uncomfortable feeling that your present overseas insurer might leave you high and dry, call us at American International Underwriters.

We know that to feel really secure about your foreign insurance, you need your very own underwriter right here at home. One who will stand by you through thick and thin. Today and tomorrow.

And at AIU that's exactly what you get. One underwriter who offers you a whole world of insurance expertise. Who knows the unique requirements and differences in regulations from country to country. An underwriter who writes insurance specifically for your individual needs.

Your AIU underwriter specializes in customized foreign policies, not just standardized forms.

And unlike the service at some other insurance concerns, your AIU underwriter will give you consistent and continuous service throughout the life of your policy. No matter where you do business we'll be there to help manage your changing insurance needs from engineering surveys to claims handling.

AIU has 65 years of overseas insurance experience. More than any American insurer. Our offices, which we control directly, span 130 countries and territories.

With our personalized foreign service and our expertise, it's no wonder that our policy renewal rate is one of the best in the industry. And that's probably why we write more insurance overseas than any other insurance company based in the United States.

If you'd like the security available through AIU, contact your nearest AIU branch and ask for your personal underwriter. Or clip the coupon below.

You can be sure that no matter where in the world you are we'll always be right around the corner.

Don't leave me stranded. Tell me more about AIU.

Name _____ Title _____

Company _____ Phone _____

Address _____

City _____ State _____ Zip _____

Mail to: American International Underwriters
Department A, 70 Pine Street, New York, N.Y. 10270

AM 12/84

ONCE AGAIN THE ANSWER IS AIG.

AIU offices in: Washington, D.C., Dallas, San Francisco, New York, Houston, New Orleans, Atlanta, Chicago, Los Angeles, Tulsa, Minneapolis, Seattle, Cleveland, Toronto, Philadelphia, Boston, Orange County, CA.

like to give them more but just can't. There is nothing in the original social compacts of Social Security and other entitlement programs that confers a "right" to perpetual increases or to benefits for those who don't need them; those "rights" are political creations of Congress, and can be reversed.

A pay-as-you-go law should be enacted. Advocated by Senator John Glenn and others, pay-as-you-go would be a direct means of accomplishing what the budget process attempts to accomplish indirectly: tying government revenues to spending. Any legislation allocating new funds would at the same time have to provide a source for those funds, in the form of either a tax increase or a deduction from another program. When a person buys something, he considers the purchase not in the abstract but in light of how much he has to spend and what will be left over for other purchases. Businesses act the same way. Only government separates the question of what to spend from what is affordable. Pay-as-you-go would have far more teeth than the strictly symbolic balanced-budget amendment, which would require Congress to balance the budget unless, on an annual basis, it voted otherwise. The balanced-budget amendment would add another showy "process" but no actual discipline.

Budgets should be drawn up on a two-year cycle to reduce duplication. Multi-year procurement cycles should be employed for the development and manufacture of complicated items like weapons. Military contractors may feed at the public trough in a shameless manner, but in their behalf it should be said that changing their instructions regularly, as Congress is prone to do, does not make for efficient business. To help longer-cycle budgets work, Congress should devise a "this time we really mean it" clause that could prevent budget decisions from being constantly re-opened for tinkering.

Lobbyists should be denied access to the Capitol. Of course lobbyists are not all sinister; most are simply doing their job. But the number of supplicants gathered round to demand handouts makes it difficult for congressmen to think clearly. Imagine lobbyists for parties in a lawsuit allowed in to see the judge—how credible would his decision be? And having lobbyists crowd outside the chambers of the House and Senate, flashing thumb signs to congressmen like coaches issuing orders to Little Leaguers, is a national disgrace.

There should be a cap on total campaign expenditures for each candidate. The existence of PACs and interest groups is far less corrupting than the need to raise great and ever-greater sums. If House races were limited to, say, \$100,000 and Senate races to \$500,000, the temptation to pander would be greatly reduced. Also, all campaign funds unspent after a given election should either be returned to donors or be contributed toward retiring the federal debt. If there were a cap on what congressmen could spend and no way for them to hoard what they didn't spend, fund-raising would be far less addictive than it is today. Restraining nonconnected and soft-money groups would not

be as easy as restraining congressmen. But at least this proposal would get the congressmen out of fund-raising and back to their responsibilities.

What can be done to restrain indirect spending on campaigns when the Constitution guarantees freedom of speech? Preserve that freedom by limiting all advertising to *speech*. Whether by candidates or by representatives of soft-money or ideological groups, only *speech*, in which an actual, real, named, identifiable person stands and talks, would be permitted. No electronic graphics; no talking cows; no actors pretending to be men in the street; no sunset walks along the beach. Banning Madison Avenue-style advertising from politics has been advocated by Curtis Gans, the director of the Committee for the Study of the American Electorate. The Supreme Court ruled in 1976 that money used to buy time on or space in communication media equates to the freedom of speech. This ruling has caused many people to think that the Gans approach would be held unconstitutional. But what do special effects, actors, and graphics have to do with any freedom we hold dear? Their purpose is to evade political debate, not advance it. Let money be used to buy TV spots, but only ones that hold to a standardized format, in which real candidates or real spokesmen for groups stand before the same solid-color background and state their ideas—whatever those ideas might be—with absolute privilege. This would surely satisfy the Founding Fathers, reduce the cost of campaigning, and by the way return the focus of politics to the issues.

The congressional calendar should be fixed, making it harder to put off decisions over and over again. A quarter system might be appropriate. During three quarters of the year congressmen would not be permitted to shuttle home to campaign but would be required to stay in Washington and attend to their work. During the fourth quarter Congress would shut down, and congressmen could return to their districts to find out for themselves what is happening there. During this time they could also hold away-from-Washington hearings—an art that died with television and instant access to publicity—in order to hear testimony from average Americans, not members of the Washington expert set.

None of these reforms would be easy to implement, especially those that involve intrusions upon existing turf and perquisites. But if congressmen cannot govern Congress, how can they hope to govern the country?

In 1984 several governors were begged by national party officials to run for Senate seats; all refused, seeing no reason to surrender jobs where they could accomplish something useful in order to submit themselves to the 535-ring circus that is Congress. A generation ago the idea of politicians who would rather avoid joining the Senate would have been outrageous; now it seems perfectly reasonable. Congress, unique among our government institutions, has control over its own fate—it can't blame another branch of the government for its condition. Before Congress can lead the nation, it must be able to lead itself. □

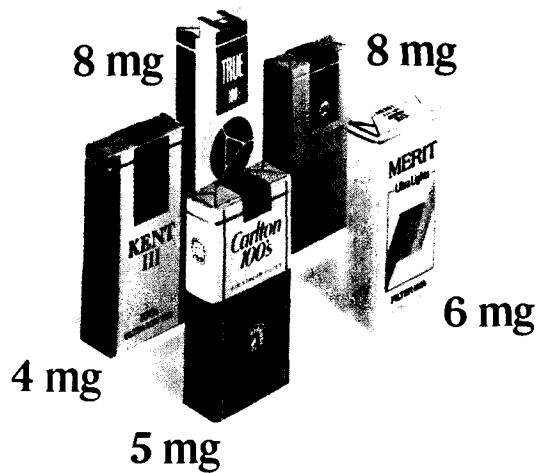
Warning: The Surgeon General Has Determined
That Cigarette Smoking Is Dangerous to Your Health.

SOFT PACK 100s FILTER, MENTHOL: 3 mg. "tar", 0.3 mg. nicotine
av. per cigarette by FTC method.

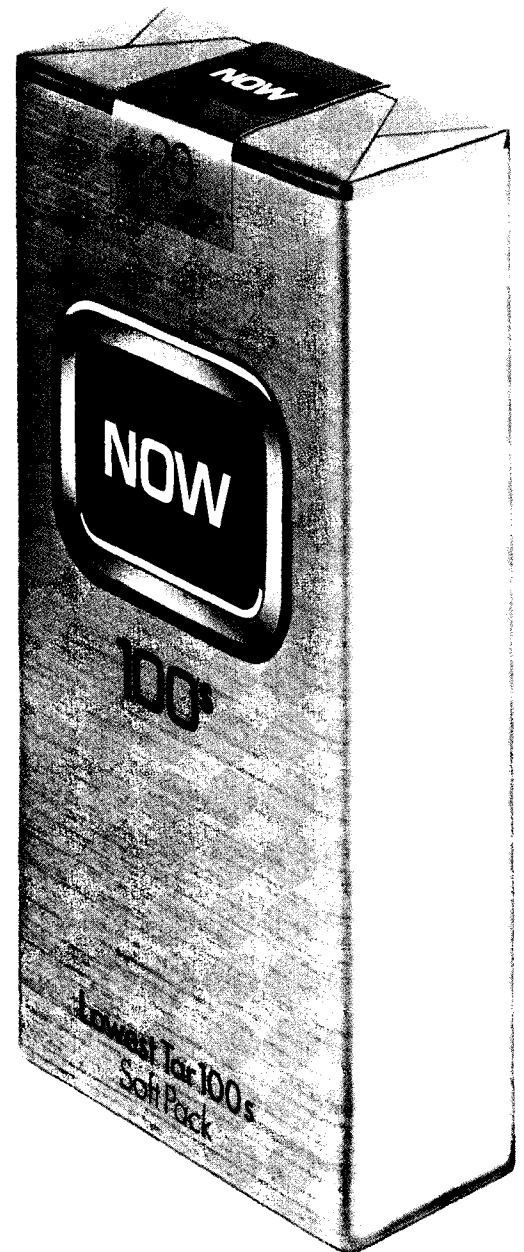
Competitive tar levels reflect either the Feb. '84 FTC Report or FTC method.

NOW. THE LOWEST OF ALL BRANDS.

© 1984 R. J. Reynolds Tobacco Co.



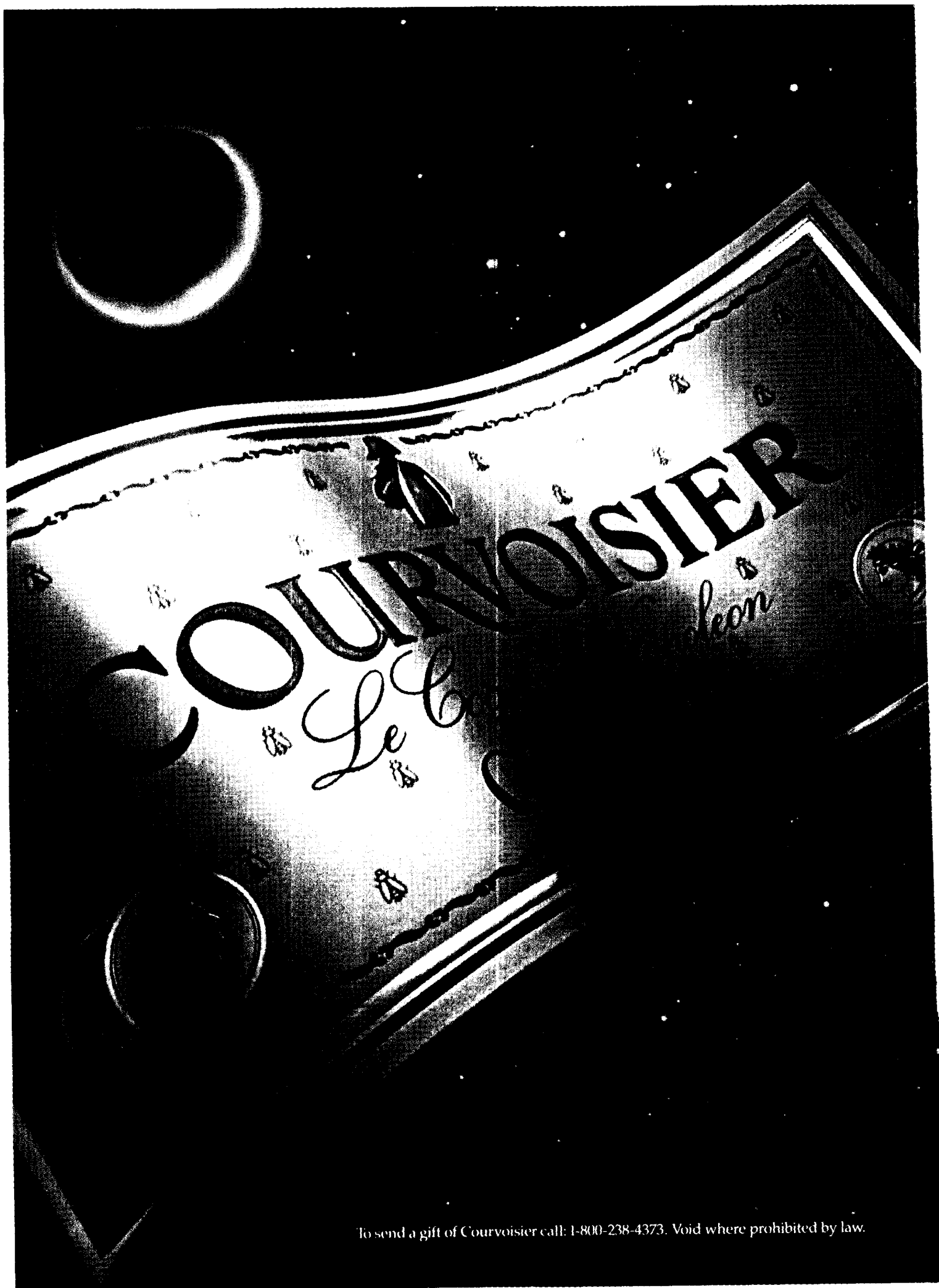
3 mg



Now far and away the lowest.



PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

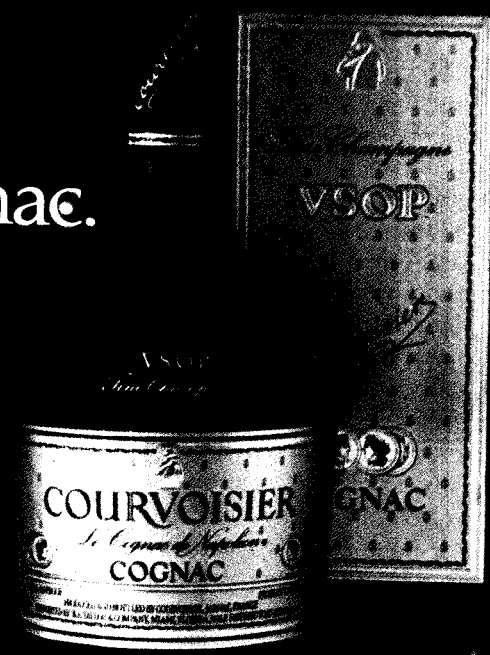


To send a gift of Courvoisier call: 1-800-238-4373. Void where prohibited by law.

© 1994 Courvoisier & Co. Cognac, France. All rights reserved.

COURVOISIER

...ed to all, the great cognac.



COURVOISIER
Le Cognac de Napoléon

A Short Story



EMPEROR OF THE AIR

BY ETHAN CANIN

LET ME TELL YOU WHO I AM. I'M SIXTY-NINE YEARS old, live in the same house I was raised in, and have been the high school biology and astronomy teacher in this town so long that I have taught the grandson of one of my former students. I wear my father's wristwatch, which tells me it is past four-thirty in the morning, and though I have thought otherwise, I now think hope is the essence of all good men.

My wife, Vera, and I have no children, and this has enabled us to do a great many things in our lives: we have stood on the Great Wall of China, toured the Pyramid of Cheops, sunned in Lapland at midnight. Vera, who is near my age, is off on the Appalachian Trail. She has been gone two weeks and expects to be gone one more, on a trip on which a group of men and women, some of them half her age, are walking all the way through three states. Age, it seems, has left my wife alone. She ice-skates and hikes and will swim nude in a mountain lake. She does these things without me, however, for now my life has slowed. Last fall, as I pushed a lawnmower around our yard, I felt a squeezing in my chest and a burst of pain in my shoulder, and I spent a week in a semi-private hospital room. A heart attack. Myocardial infarction, minor. I will no longer run for a train, and in my shirt pocket I keep a small vial of nitroglycerine pills. In slow supermarket lines or traffic snarls I tell myself that impatience is not worth dying over, and last week, as I stood at the window and watched my neighbor, Mr. Pike, cross the yard toward our front door carrying a chain saw, I told myself that he was nothing but a doomed and hopeless man.

I had found the insects in my elm a couple of days before, the slim red line running from the ground up the long trunk and vanishing into the lower boughs. I brought out a magnifying glass to examine them—their shiny arthroderms, torsos elongated like drops of red liquid; their tiny legs, jointed and wiry, climbing the fissured bark. The morning I found them, Mr. Pike came over from next door and stood on our porch. "There's vermin in your elm," he said.

"I know," I said. "Come in."

"It's a shame, but I'll be frank: there's other trees on this block. I've got my own three elms to think of."

Mr. Pike is a builder, a thick and unpleasant man with whom I have rarely spoken. Though I had seen him at high school athletic events, the judgmental tilt to his jaw always suggested to me that he was merely watching for the players' mistakes. He is short, with thick arms and a thick neck and a son, Kurt, in whose bellicose shouts I can already begin to hear the thickness of his father. Mr. Pike owns or partly owns a construction company that erected a line of low prefabricated houses on the outskirts of town, on a plot I remember from my youth as having been razed by fire. Once, a plumber who was working on our basement pipes told me that Mr. Pike was a poor craftsman, a man who valued money over quality. The plumber, a man my age who kept his tools in a wooden chest, shook his head when he told me that Mr. Pike used plastic pipes in the houses he had built. "They'll last ten years," the plumber told me. "Then the seams will go and the walls and ceilings will start to fill with water." I myself had had little to do with Mr. Pike until he told me he wanted my elm cut down to protect the three saplings in his yard. Our houses are separated by a tall stand of rhododendron and ivy, so we don't see each other's private lives as most neighbors do. When we talked on the street, we spoke only about a football score or the incessant rain, and I had not been on his property since shortly after he moved in, when I had gone over to introduce myself and he had shown me the spot where, underneath his rolling back lawn, he planned to build a bomb shelter.

Last week he stood on my porch with the chain saw in his hands. "I've got young elms," he said. "I can't let them be infested."

"My tree is over two hundred years old."

"It's a shame," he said, showing me the saw, "but I'll be frank. I just wanted you to know I could have it cut down as soon as you gave the word."

All week I had a hard time sleeping. I read Dickens in bed, heated cups of milk, but nothing worked. The elm was dying. Vera was gone, and I lay in bed thinking of the insects, of their miniature jaws carrying away heartwood. It was late summer, the nights were still warm, and sometimes I went outside in my nightclothes and looked up at the sky. I teach astronomy, as I have said, and though sometimes I try to see the stars as milky dots or pearls, they are forever arranged in my eye according to the astronomical charts. I stood by the elm and looked up at Ursa Minor and Lyra, at Cygnus and Corona Borealis. I went

Ethan Canin is a medical student at Harvard University. He recently won the Transatlantic Review/Henfield Foundation Award for short fiction.

back inside, read, peeled an orange. I sat at the window and thought about the insects, and every morning at five a boy who had once taken my astronomy class rode by on his bicycle, whistling the national anthem, and threw the newspaper onto our porch.

Sometimes I heard them, chewing the heart of my splendid elm.

The day after I first found the insects I called a man at the tree nursery. He described them for me, the bodies like red droplets, the wiry legs; he told me their genus and species.

"Will they kill the tree?"

"They could."

"We can poison them, can't we?"

"Probably not," he said. He told me that once they were visible outside the bark they had already invaded the tree too thoroughly for pesticide. "To kill them," he said, "we would end up killing the tree."

"Does that mean the tree is dead?"

"No," he said. "It depends on the colony of insects. Sometimes they invade a tree but don't kill it, don't even weaken it. They eat the wood, but sometimes they eat it so slowly that the tree can replace it."

When Mr. Pike came over the next day, I told him this. "You're asking me to kill a two-hundred-and-fifty-year-old tree that otherwise wouldn't die for a long time."

"The tree's over eighty feet tall," he said.

"So?"

"It stands fifty-two feet from my house."

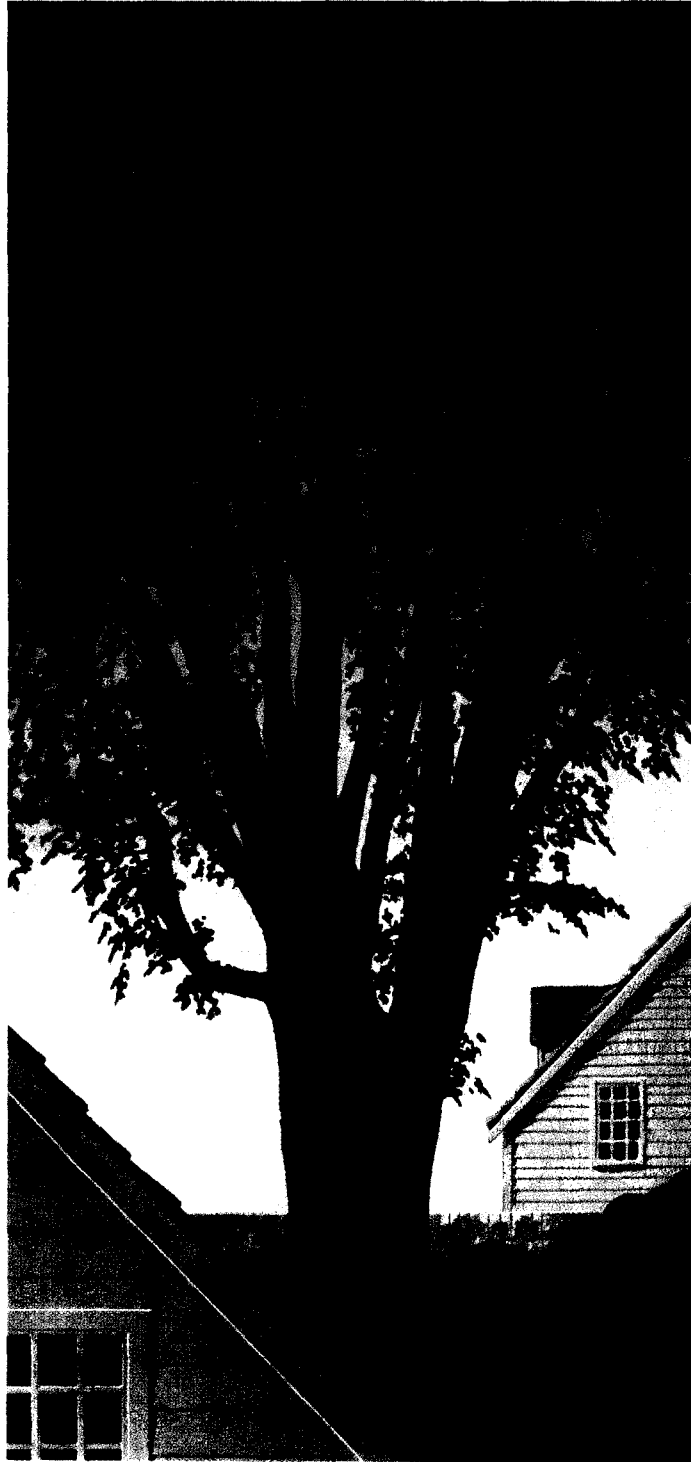
"Mr. Pike, it's older than the Liberty Bell."

"I don't want to be unpleasant," he said, "but a storm could blow twenty-eight feet of that tree through the wall of my house."

"How long have you lived in that house?"

He looked at me, picked at his tooth. "You know."

"Four years," I said. "I was living here when a czar ruled



Russia. An elm grows one quarter inch in width each year, when it's still growing. That tree is four feet thick, and it has yet to chip the paint on either your house or mine."

"It's sick," he said. "It's a sick tree. It could fall."

"Could," I said. "It *could* fall."

"It very well *might* fall."

We looked at each other for a moment. Then he averted his eyes, and with his right hand adjusted something on his watch. I looked at his wrist. The watch had a shiny metal band, with the hours, minutes, seconds, blinking in the display.

The next day he was back on my porch.

"We can plant another one," he said.

"What?"

"We can plant another tree. After we cut the elm, we can plant a new one."

"Do you have any idea how long it would take to grow a tree like that one?"

"You can buy trees half-grown. They bring them in on a truck and replant them."

"Even a half-grown tree would take a century to reach the size of the elm. A century."

He looked at me. Then he shrugged, turned around, and went back down the steps. I sat down in the open doorway. A

century. What would be left of the earth in a century? I didn't think I was a sentimental man, and I don't weep at plays or movies, but certain moments have always been peculiarly moving for me, and the mention of a century was one. There have been others. Standing out of the way on a fall evening, as couples and families converge on the concert hall from the radiating footpaths, has always filled me with a longing, though I don't know for what. I have taught the life of the simple hydra that is drawn, for no reasons it could ever understand, toward the bright surface of the water, and the spectacle of a thousand human beings

organizing themselves into a single room to hear the quartets of Beethoven is as moving to me as birth or death. I feel the same way during the passage in an automobile across a cantilever span above the Mississippi, mother of rivers. These moments overwhelm me, and sitting on the porch that day as Mr. Pike retreated up the footpath, paused at the elm, and then went back into his house, I felt my life open up and present itself to me.

When he had gone back into his house I went out to the elm and studied the insects, which emerged from a spot in the grass and disappeared above my sight, in the lowest branches. Their line was dense and unbroken. I went inside and found yesterday's newspaper, which I rolled up and brought back out. With it I slapped up and down the trunk until the line was in chaos. I slapped until the newspaper was wet and tearing; with my fingernails I squashed stragglers between the narrow crags of bark. I stamped the sod where they emerged, dug my shoe tip into their underground tunnels. When my breathing became painful, I stopped and sat on the ground. I closed my eyes until the pulse in my neck was calm, and I sat there, mildly triumphant, master at last. After a while I looked up again at the tree and found the line perfectly restored.

THAT AFTERNOON I MIXED A STRONG INSECT POISON, which I brought outside and painted around the bottom of the trunk. Mr. Pike came out onto his steps to watch. He walked down, stood on the sidewalk behind me, made little chuckling noises. "There's no poison that'll work," he whispered.

But that evening, when I came outside, the insects were gone. The trunk was bare. I ran my finger around the circumference. I rang Mr. Pike's doorbell and we went out and stood by the tree together. He felt in the notches of the bark, scratched bits of earth from the base. "I'll be damned," he said.

WHEN I WAS A BOY IN THIS TOWN, THE SUMMERS were hot and the forest to the north and east often dried to the point where the undergrowth, not fit to compete with the deciduous trees for groundwater, turned crackling brown. The shrubbery became as fragile as straw, and the summer I was sixteen the forest ignited. A sheet of flame raced and bellowed day and night as loud as a fleet of propeller planes. Whole families gathered in the street and evacuation plans were made, street routes drawn out beneath the night sky, which, despite the ten miles' distance to the fire, shone with orange light. My father had a wireless with which he communicated to the fire lines. He stayed up all night and promised that he would wake the neighbors if the wind changed or the fire otherwise turned toward town. That night the wind held, and by morning a firebreak the width of a street had been cut. My father took me down to see it the next day, a ribbon of cleared land as bare as if it had been drawn with a

razor. Trees had been felled, the underbrush sickled down and removed. We stood at the edge of the cleared land, the town behind us, and watched the fire. Then we got into my father's Plymouth and drove as close as we were allowed. A fireman near the flames had been asphyxiated, someone said, when the cone of fire had turned abruptly and sucked up all the oxygen in the air. My father explained to me how a flame breathed oxygen like a man. We got out of the car. The heat curled the hair on our arms and turned the ends of our eyelashes white.

My father was a pharmacist and had taken me to the fire out of curiosity. Anything scientific interested him. He kept tide tables, and collected the details of nature—butterflies and moths, seeds, wildflowers—and stored them in glass-fronted cases, which he leaned against the stone wall of our cellar. One summer he taught me the constellations of the Northern Hemisphere. We went outside at night, and as the summer progressed he showed me how to find Perseus and Arcturus and Andromeda, how some of the brightest stars illuminated Lyra and Aquila, how, though the constellations proceed with the seasons, Polaris remains most fixed and is thus the set point of a mariner's navigation. He taught me the night sky, and I find now that this is rare knowledge. Later, when I taught astronomy, my students rarely cared about the silicon or iron on the sun, but when I spoke of Cepheus or Lacerta, they were silent and attended my words. At a party now I can always find a drinking husband who will come outside with me and sip cognac while I point out the stars and say their names.

That day, as I stood and watched the fire, I thought the flames were as loud and powerful as the sea, and that evening, when we were home, I went out to the front yard and climbed the elm to watch the forest burn. Climbing the elm was forbidden me, because the lowest limbs even then were well above my reach and because my father believed that anybody lucky enough to make it up into the lower boughs would almost certainly fall on the way down. But I knew how to climb it anyway. I had done it before, when my parents were gone. I had never made it as far as the first limbs, but I had learned the knobs and handholds on which, with balance and strength, I could climb to within a single jump of the boughs. The jump frightened me, however, and I had never attempted it. To reach the boughs one had to gather strength and leap upward into the air, propelled only by the purchase of feet and hands on the small juttings of bark. It was a terrible risk. I could no more imagine myself making this leap than I could imagine diving headlong from a coastal cliff into the sea. I was an adventurous youth, as I was later an adventurous man, but all my adventures had a quality about them of safety and planned success. This is still true. In Ethiopia I have photographed a lioness with her cubs; along the Barrier Reef I have dived among barracuda and scorpion fish—but these things have never frightened me. In my life I have done few things that have frightened me.

That night, though, I made the leap into the lower boughs of the elm. My parents were inside the house, and I made my way upward until I crawled out of the leaves onto a narrow top branch and looked around me at a world that on two sides was entirely red and orange with flame. After a time I came back down and went inside to sleep, but that night the wind changed. My father woke us, and we gathered outside on the street with all the other families on our block. People carried blankets filled with the treasures of their lives. One woman wore a fur coat, though the air was suffused with ash and was as warm as an afternoon. My father stood on the hood of a car and spoke. He had heard through the radio that the fire had leaped the break, that a house on the eastern edge of town was in full flame, and, as we all could feel, that the wind was strong and blowing straight west. He told the families to finish loading their cars and leave as soon as possible. Though the fire was still across town, he said, the air was filling with smoke so rapidly that breathing would soon be difficult. He got down off the car and we went inside to gather things together. We had an RCA radio in our living room and a set of Swiss china in my mother's cupboard, but my father instead loaded a box with the *Encyclopaedia Britannica* and carried up from the basement the heavy glass cases that contained his species chart of the North American butterflies. We carried these things outside to the Plymouth. When we returned, my mother was standing in the doorway.

"This is my home," she said.

"We're in a hurry," my father said.

"This is my home, this is my children's home. I'm not leaving."

My father stood on the porch looking at her. "Stay here," he said to me. Then he took my mother's arm and they went into the house. I stood on the steps outside, and when my father came out again in a few minutes, he was alone, just as when we drove west that night and slept with the rest of our neighborhood on Army cots in the high school gym in the next town, we were alone. My mother had stayed behind.

Nothing important came of this. That night the wind calmed and the burning house was extinguished; the next day a heavy rain wet the fire and it was put out. Everybody came home, and the settled ash was swept from the houses and walkways into black piles in the street. I mention the incident now only because it points out, I think, what I have always lacked: I inherited none of my mother's moral stubbornness. In spite of my age, still, arriving on foot at a crosswalk where the light is red but no cars are in sight, I'm thrown into confusion. My decisions never seem to engage the certainty that I had hoped to enjoy late in my life. But I was adamant and angry when Mr. Pike came to my door. The elm was ancient and exquisite: we could not let it die.

Now, though, the tree was safe. I examined it in the morning, in the afternoon, in the evening, and with a lantern at night. The bark was clear. I slept.

THE NEXT MORNING MR. PIKE WAS AT MY DOOR.
"Good morning, neighbor," I said.

"They're back."

"They can't be."

"They are. Look," he said, and walked out to the tree. He pointed up to the first bough.

"You probably can't see them," he said, "but I can. They're up there, a whole line of them."

"They couldn't be."

"They sure are. Listen," he said, "I don't want to be unpleasant, but I'll be frank."

That evening he left a note in our mail slot. It said that he had contacted the authorities, who had agreed to enforce the cutting of the tree if I didn't do it myself. I read the note in the kitchen. Vera had been cooking some Indian chicken before she left for the Appalachian Trail, and on the counter was a big jar filled with flour and spices that she shook pieces of chicken in. I read Mr. Pike's note again. Then I got a fishing knife and a flashlight from the closet, emptied Vera's jar, and went outside with these things to the elm. The street was quiet. I made a few calculations, and then with the knife cut the bark. Nothing. I had to do it only a couple more times, however, before I hit the mark and, sure enough, the tree sprouted insects. Tiny red bugs shot crazily from the slit in the bark. I touched my finger there and they spread in an instant all over my hand and up my arm. I had to shake them off. Then I opened the jar, laid the fishing knife out from the opening like a bridge, and touched the blade to the slit in the tree. They scrambled up the knife and began to fill the jar as fast as a trickling spring. After a few minutes I pulled out the knife, closed the lid, and went back into the house.

Mr. Pike is my neighbor, and so I felt a certain remorse. What I contemplated, however, was not going to kill the elms. It was going to save them. If Mr. Pike's trees were infested, they would still more than likely live, and he would no longer want mine chopped down. This is the nature of the world. In the dark house, feeling half like a criminal and half like a man of mercy, my heart arrhythmic in anticipation, I went upstairs to prepare. I put on black pants and a black shirt. I dabbed shoe polish on my cheeks, my neck, my wrists, the backs of my hands. Over my white hair I stretched a tight black cap. Then I walked downstairs. I picked up the jar and the flashlight and went outside into the night.

I have always enjoyed gestures—never failing to bow, for example, when I finished dancing with a woman—but one attribute I have acquired with age is the ability to predict when I am about to act foolishly. As I slid calmly into the shadowy cavern behind our side-yard rhododendron and paused to catch my breath, I thought that perhaps I had better go back inside and get into my bed. But then I decided to go through with it. As I stood there in the shadow of the swaying rhododendron, waiting to pass into the back yard of my neighbor, I thought of Hannibal and Napoleon and MacArthur. I tested my flashlight and shook

the jar, which made a soft colliding sound as if it were filled with rice. A light was on in the Pikes' living room, but the alley between our houses was dark. I passed through.

The Pikes' yard is large, larger than ours, and slopes twice within its length, so that the lawn that night seemed like a dark, furrowed flag stretching back to the three elms. I paused at the border of the driveway, where the grass began, and looked out at the young trees outlined by the lighted houses behind them. In what strange ways, I thought, do our lives turn. Then I got down on my hands and knees. Staying along the fence that separates our yards, I crawled toward the back of the Pikes' lawn. In my life I have not crawled a lot. With Vera I have gone spelunking in the limestone caves of southern Minnesota, but there the crawling was obligate, and as we made our way along the narrow, wet channel into the heart of the rock, I felt a strange grace in my knees and elbows. The channel was hideously narrow, and my life depended on the sureness of my limbs. Now, in the Pikes' yard, my knees felt arthritic and torn. I made my way along the driveway toward the young elms against the back fence. The grass was wet and the water dampened my trousers. I was hurrying as best I could across the open lawn, the insect-filled jar in my hand, the flashlight in my pocket, when I put my palm on something cement. I stopped and looked down. In the dim light I saw what looked like the hatch door on a submarine. Round, the size of a manhole, marked with a fluorescent cross—oh, Mr. Pike, I didn't think you'd do it. I put down the jar and felt for the handle in the dark, and when I found it I braced myself and turned. I certainly didn't expect it to give, but it did, circling once, twice, around in my grasp



and loosening like the lid of a bottle. I pulled the hatch and up it came. Then I picked up the insects, felt with my feet for the ladder inside, and went down, closing the hatch behind me.

I still planned to deposit the insects on his trees, but something about crime is contagious. I knew that what I was doing was foolish and that it increased the risk of being caught, but as I descended the ladder into Mr. Pike's bomb shelter, I could barely distinguish fear from elation. At the bottom of the ladder I switched on the flashlight. The room was round, the ceiling and floor were concrete, and against the wall stood a cabinet of metal shelves filled with canned foods. On one shelf were a dictionary and some magazines. Oh, Mr. Pike. I thought of his sapling elms, of the roots making their steady, blind way through the earth; I thought of his houses ten years from now, when the pipes cracked and the ceilings began to pool with water. What a hopeless man he seemed to me then, how small and afraid.

I stood thinking about him, and after a moment I heard a door close in the house. I climbed the ladder and peeked out under the hatch. There on the porch stood Kurt and Mr. Pike. As I watched, they came down off the steps and walked over and stood on the grass near me. I could see the watch blinking on Mr. Pike's wrist. I lowered my head. They were silent, and I wondered what Mr. Pike would do if he found me in his bomb shelter. He was thickly built, as I have said, but I didn't think he was a violent man. One afternoon I had watched as Kurt slammed the front door of their house and ran down the steps onto the lawn, where he stopped and threw an object—an ashtray, I think it was—right through the front window of the house. When the glass shattered, he

ran, and Mr. Pike soon appeared on the front steps. The reason I say that he is not a violent man is that I saw something beyond anger, perhaps a certain doom, in his posture as he went back inside that afternoon and began cleaning up the glass with a broom. I watched him through the broken front window of their house.

How would I explain to him, though, the bottle of mad insects I now held? I could have run then, I suppose, made a break up and out of the shelter while their backs were turned. I could have been out the driveway and across the street without their recognizing me. But there was, of course, my heart. I moved back down the ladder. As I descended and began to think about a place to hide my insects, I heard Mr. Pike speak. I climbed back up the ladder. When I looked out under the hatch, I saw the two of them, backs toward me, pointing at the sky. Mr. Pike was sighting something with his finger, and Kurt followed. Then I realized that he was pointing out the constellations, but that he didn't know what they were and was making up their names as he spoke. His voice was not fanciful. It was direct and scientific, and he was lying to his son about what he knew. "These," he said, "these are the Mermaid's Tail, and south you can see the three peaks of Mount Olympus, and then the sword that belongs to the Emperor of the Air." I looked where he was pointing. It was late summer, near midnight, and what he had described was actually Cygnus's bright tail and the outstretched neck of Pegasus.

Presently he ceased speaking, and after a time they walked back across the lawn and went into the house. The light in the kitchen went on, then off. I stepped from my hiding place. I suppose I could have continued with my mission, but the air was calm, it was a perfect and still night, and my plan, I felt, had been interrupted. In my hand the jar felt large and dangerous. I crept back across the lawn, staying in the shadows of the ivy and rhododendron along the fence, until I was in the driveway between our two houses. In the side window of the Pikes' house a light was on. I paused at a point where the angle allowed me a view through the glass, down the hallway, and through an open door into the living room. Mr. Pike and Kurt were sitting together on a brown couch against the far wall of the room, watching television. I came up close to the window and peered through. Though I knew this was foolish, that any neighbor, any man walking his dog at night, would have thought me a burglar in my black clothing, I stayed and watched. The light was on inside, it was dark around me, and I knew I could look in without being seen. Mr. Pike had his hand on Kurt's shoulder. Every so often when they laughed at something on the screen, he moved his hand up and tousled Kurt's hair. The sight of this suddenly made me feel the way I do on the bridge across the Mississippi River. When he put his hand on

Kurt's hair again, I moved out of the shadows and went back to my own house.

I wanted to run, or kick a ball, or shout a soliloquy into the night. I could have stepped up on a car hood then and lured the Pikes, the paper boy, all the neighbors, out into the night. I could have spoken about the laboratory of a biology teacher, about the rows of specimen jars. How could one not hope here? At three weeks the human embryo has gill arches on its neck, like a fish; at six weeks, amphibians' webs still connect its blunt fingers. Miracles. This is true everywhere in nature. The evolution of 500 million years is mimicked in each gestation: birds that in the egg look like fish; fish that emerge like their spineless, leaflike ancestors. What it is to study life! Anybody who had seen a cell divide could have invented religion.

I sat down on the porch steps and looked at the elm. After a while I stood up and went inside. With turpentine I cleaned the shoe polish from my face, and then I went upstairs. I got into bed. For an hour or two I lay there, sleepless, hot, my thoughts racing, before I gave up and went to the bedroom window. The jar, which I had brought up with me, stood on the sill, and I saw that the insects were either asleep or dead. I opened the window then and emptied them down onto the lawn, and at that moment, as they rained away into the night, glinting and cascading, I thought of asking Vera for a child. I knew it was not possible, but I considered it anyway. Standing there at the window, I thought of Vera, ageless, in forest boots and shorts, perspiring through a flannel blouse as she dipped drinking water from an Appalachian stream. What had we, she and I? The night was calm, dark. Above me Polaris blinked.

I tried going to sleep again. I lay in bed for a time, and then gave up and went downstairs. I ate some crackers. I drank two glasses of bourbon. I sat at the window and looked out at the front yard. Then I got up and went outside and looked up at the stars, and I tried to see them for their beauty and mystery. I thought of billions of tons of exploding gases, hydrogen and helium, red giants, supernovas. In places they were as dense as clouds. I thought of magnesium and silicon and iron. I tried to see them out of their constellatory order, but it was like trying to look at a word without reading it, and I stood there in the night unable to scramble the patterns. Some clouds had blown in and begun to cover Auriga and Taurus. I was watching them begin to spread and refract moonlight when I heard the paper boy whistling the national anthem. When he reached me, I was standing by the elm, still in my nightclothes, unshaven, a little drunk.

"I want you to do something for me," I said.

"Sir?"

"I'm an old man and I want you to do something for me. Put down your bicycle," I said. "Put down your bicycle and look up at the stars." □

*Ivan Boesky is the biggest winner
in the dangerous game of
risk arbitrage*

"MY MASTER IS MY PURSE"

BY CONNIE BRUCK

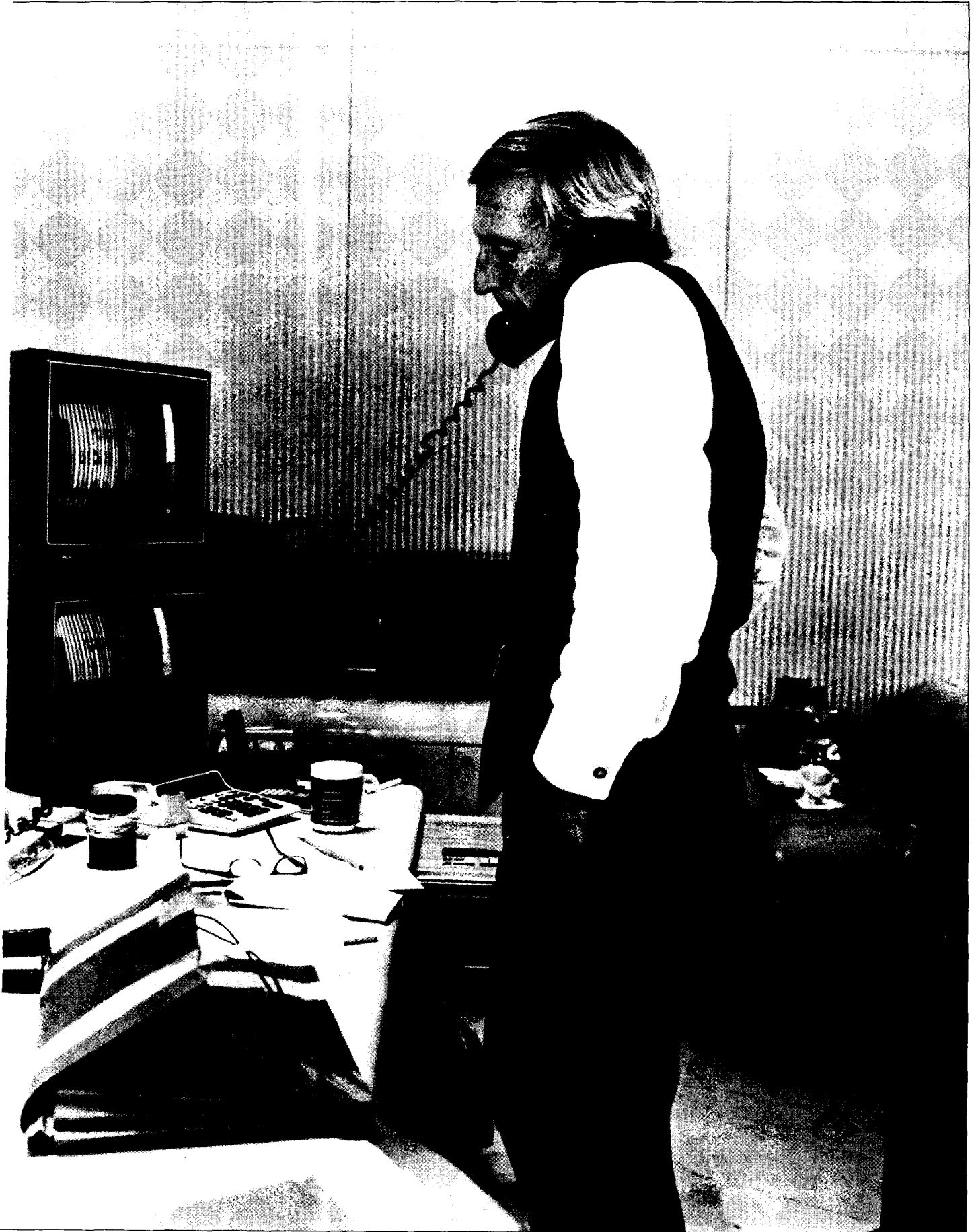
WHEN THE MARKET OPENS, AT 10 A.M., IVAN Boesky—the biggest risk-taker in the Wall Street game of risk arbitrage—is at his desk, eyes riveted to computer screens and tapes that show him stock transactions as they occur. He skips lunch, drinking cup after cup of black coffee at his post. Sometime in the afternoon he leaves for the Harvard Club, in mid-Manhattan, where he has a succession of meetings that continue through dinner. He eats sparingly—a couple of shrimp, a piece of lobster—and drinks only a sip of wine. The meetings end close to midnight.

Then his limousine takes him to his estate in Westchester County, New York. He arrives at about 1 A.M. and does "homework" until 2:30, when he goes to sleep. At 4:30 A.M. he rises, beating his alarm. During the hour-long drive into the city for a 6 A.M. business meeting, he does paper work and listens to tapes (two favorites are Molly Bloom's soliloquy and a concert by Placido Domingo and John Denver). As always, he tries to do more than one thing at a time, and never to do the same thing twice. Redundancy is the bane of his existence. The first meeting is followed by a 7:30 A.M. meeting at his office with his arbitrage staff, to plan their market strategy for the day. There are small variations, but this is Boesky's calendar, day after day.

The game to which Boesky is wedded has netted him and his investors well over \$150 million during the past ten years. Boesky's office, a vast, white-carpeted room with a panoramic view of the city, is full of the tools of his trade. There are two computer screens with stock-price information, a digital clock showing the time in zones around the world, and a switchboard with 160 direct phone lines to stockbrokers, floor traders on the various stock exchanges, arbitrageurs, and others. A sophisticated audio-visual system ("It's like NASA," Boesky says) allows him to communicate with his researchers and traders using two screens and a number of microphones on his desk. The lower



Connie Bruck is a senior reporter for The American Lawyer.



screen is divided into sixteen sections, in each of which a researcher or a trader is always visible. Boesky can project anyone onto the upper screen. The researchers and traders, on the floor below Boesky, have on their desks one screen each, on which they can see Boesky at his discretion. On the rear wall of his office—above three huge bronze bulls, totemic ornaments—records of trades on the New York Stock Exchange and the American Stock Exchange travel in an endless double stream of bright-green print. Behind him, in a corner, Dow Jones and Reuters teletypes hum in a continual printout.

Boesky, forty-seven, a trim, tanned, sharp-featured man with no waste in his frame or face, was in his characteristic posture when I spoke with him recently—standing at his desk, holding a phone receiver to each ear, and cradling a third. He was dressed in the uniform he has worn since he came to Wall Street to make his fortune, nearly twenty years ago—a three-piece black suit, with a gold watch chain (a replica of the one Winston Churchill wore) strung across the vest. His is the perfect image of a prosperous Wall Street banker—except for his feet, hidden behind his desk, which are clad in ancient brown loafers, their backs worn down flat like bedroom slippers.

Hour after hour at this post behind his desk, Boesky does not sit, just shifts from foot to foot. Sitting, like sleeping, is rest, and rest is antithetical to what Boesky is. "The machine doesn't like to stop," he said, referring to his twenty-hour workdays. "I don't know how not to be productive, don't know how not to work, don't know how to rest. In order for me to do that, I would have to unlearn everything I know how to do. It's not particularly praiseworthy. It's a disease I have."

Those who know Boesky well find his obsession extraordinary but not mysterious. "He is a financially driven person," says Stephen Fraidin, Boesky's lawyer for nearly ten years and a close friend. "I think it's hard to understand artists, because they have this crazy commitment, and that's what Ivan has—except it's not to the ballet but to the art of making money."

In no medium does moneymaking find purer expression than in risk arbitrage. Unlike other high-income enterprises, such as real-estate development, or technology, or the film business, where the aim is to make a profit from a product, arbitrage *produces* nothing. Risk arbitrageurs, or "arbs," as they are called on Wall Street, are professional gamblers who bet on the outcome of corporate transactions. They invest in securities that are the subject of an announced tender offer, a merger, or a liquidation, and then realize a profit in the spread between their purchase price and the selling price when the announced event is consummated. This is the core process, although it is embellished with hedging techniques that employ combinations of options. Like mercenaries, arbitrageurs never develop any allegiance to a company or its management, nor do they take sides during a takeover battle. No matter who the principals are in such a situation, Boesky says, "my master is my purse."

THAT MASTER HAS BEEN PARTICULARLY WELL SERVED of late. The last month of 1983 and the first three months of 1984 saw two megadeals—the acquisition of Getty Oil by Texaco, and that of Gulf Oil by Standard Oil Company of California (Socal)—that were the kind the arbs love the most. An influx of capital into risk arbitrage in recent years has narrowed the spreads in the small and medium-sized deals, because there is only a finite amount of stock available, and the greater the demand for it, the higher its price is driven. But multibillion-dollar deals, in which stock is more plentiful than available investment capital, still offer healthy arbitrage spreads. And in both these oil deals there were competing bids, which—to the arbs' delight—drove up the price the acquiring companies were willing to pay. While nearly all the arbs played heavily in both Gulf and Getty, no one—as usual—bet as much as Boesky. His trademark is the enormous size of his positions, usually four or five times those of any other arbitrageur, in his chosen deals. Sources close to Boesky estimate that he grossed about \$50 million on Getty and about \$65 million on Gulf, for himself and his investors. Boesky and his family are the holders of nearly all the common stock in his corporation. His investors own only preferred, some of which Boesky has begun to buy as well. After all preferred holders receive dividends, Boesky, as a common-stock holder, takes 55 percent of the profits. The remaining 45 percent is divided among preferred holders. The division of losses, however, is more one-sided. Common-stock holders suffer five percent, preferred holders 95 percent.

On March 6, when the Getty deal had been consummated and the Gulf-Socal merger agreement had just been announced, Boesky was describing risk arbitrage to a group of pension-fund representatives, whom he was courting as investors. The idea of risk arbitrage, he told them, is that you eliminate market risk, which is influenced by an array of unforeseeable factors, and you substitute event risk, which is discrete and measurable. The risks that he takes are slight, Boesky said, and the rewards enormous.

He pointed to Gulf-Socal. The market had just opened for the day with Gulf shares trading at \$72.50; Socal had agreed to pay \$80 a share for all Gulf stock when the merger was effected. It would be a \$13.2 billion deal. "The arbitrage spread is about seventy-three to eighty dollars, and the deal will take about a month to go through. So that's a ten-percent return on your money in a month—a hundred and twenty percent a year—on margin, two hundred and forty percent," Boesky declared, his voice rising in excitement.

"And who buys this stuff? *You* don't. The arbitrage community does, but it has finite capital, only about three to four billion dollars of buying power. So that spread is just lying there, and it may remain there until the end. That money," Boesky added fervently, "is falling off the trees."

Even as he spoke, the price of Gulf stock began a steady decline. It closed for the day at about 69¼. The next morning, March 7, it opened at 69 and plunged to 63, clos-

ing at about 64¾. The dive was the result of a tidal wave of shareholder panic caused by an anti-oil-merger legislative proposal that was being championed by Louisiana Senator J. Bennett Johnston. The Gulf-Socal deal—the largest corporate merger ever—was one target of these bills, which were being given better than 60–40 odds of passing. Apparently, it no longer seemed to Boesky that this money was falling off the trees: he began to sell his Gulf shares.

As Gulf hovered in the mid-sixties over the next ten days, Boesky lived in the kind of pressure-cooker environment that makes him feel most at home. He and the other arbs were looking at a profit of about \$15 a share if the deal went through at \$80, but a terrifying potential loss of about \$20 a share if the deal were prevented: almost invariably the price of a jilted stock falls at least as low as its pre-offer level. Boesky said in April that he never lost heart, never yielded to nervousness (“nervousness is a misallocation of energy”), sold only a small amount of stock, in what he described as “momentary skittishness,” and then bought and bought by the barrelful. “Other people see a landslide, and they don’t want to be crushed,” he said. “We tend to be bolder. We will take a bruising. It’s scary to buy into panic, but our willingness to do that is a distinguishing feature of our firm.”

Before the possibility of a legislative block arose, Gulf had been fighting to stay independent for months—and the soaring price of its stock had traced the events in that struggle, an arbitrageur’s dream. Gulf’s original suitor had been the notoriously acquisitive Texas oilman T. Boone Pickens, Jr., whose ownership of 8.75 percent of Gulf stock became known in late September of 1983. Pickens is the chairman of the Mesa Petroleum Company, a dwarf among oil giants. Nonetheless, in the past two years he has repeatedly acquired blocks of stock of good-sized oil companies, in actions that have been accepted as genuine takeover attempts. In each case, however, Pickens has ended up selling back the target’s stock after exciting interest in it—at a substantial profit for Mesa shareholders.

Boesky says that he began accumulating Gulf stock, at a price of about \$42 a share, as soon as Pickens’s acquisition was announced. Although he refuses to disclose the exact size of his trades, Boesky says that he was “tentative,” because it was not clear that Pickens would be able to mount a successful assault on the Gulf giant.

In pure risk arbitrage one does not invest in securities until the terms of the deal, be it a tender offer or a merger

agreement, are announced. Then the problems and the timetable are clear, and the risks—will the deal go through? will it be delayed? will the offered price hold?—can be assessed. Most arbs do not invest before this stage, because they do not like to tie up their money for indefinite periods in the hope that some corporate transaction will occur.

But Boesky does invest in what he calls “special situations,” or pre-deals. In the case of Gulf, he bought after Pickens had begun acquiring stock but months before Pickens made his tender offer. In the case of Getty, Boesky started buying shares when friction occurred be-

tween Gordon Getty, the company’s major shareholder, and management—six months before any bid for the company appeared. “That is Ivan’s hallmark—he gets big early on, when all the others are just barely dipping their toes in,” says Lance Lessman, Boesky’s key arbitrage assistant, a fresh-faced Stanford Business School graduate who addresses Boesky as “sir.” “If you perceive the pregnancy



early, then you don’t get beat up too badly if you’re wrong, and you make a fortune if you’re right,” Lessman says.

Boesky says that he continued to accumulate Gulf stock steadily through the fall, as Pickens continued his offensive. In mid-December, Gulf won a proxy fight against the Mesa groups, which allowed it to reincorporate. That in turn kept Pickens from forcing his way onto the Gulf board. Boesky then “accelerated dramatically,” he says. “Others might have seen it as a negative, because it was a Gulf victory,” Boesky, who describes himself as “contrarian,” says. “But the plurality was very narrow, and the second part of the proxy fight was still to come, in May. We viewed it as a buying opportunity.” The stock was then trading in the high forties.

By the beginning of February, Boesky’s position in Gulf was gargantuan, even for him—an investment of hundreds of millions of dollars. Boesky describes a heavy accumulation that continued through February 23, when Mesa made a partial tender for Gulf stock, and on through March 5, when Gulf finally fell into the arms of its white knight, Socal.

Boesky’s account is extremely broad-brush. One arb who is close to him contends that during his pre-deal accumulation of Gulf, Boesky lost courage at least once, when Pickens was having trouble financing his bid and Gulf offered to buy the shares Pickens already had. “Pickens’s response was that he wouldn’t sell unless Gulf shareholders

had the same opportunity [to sell at the price Gulf offered Pickens], so the question was, Does Pickens mean what he says? That's what arbitrage really comes down to," this arb says. "After you've answered the questions about whether there's an anti-trust problem or something else that can screw up the deal, it's always the human factors. It's questions like What kind of a person is Boone Pickens? What motivates Bennett Johnston? Is it his pattern to start these things and then pull back? And on and on."

"I know Pickens," this arb continues, "and I knew that he did mean what he said. Pickens won't talk to Ivan that much during deals because Ivan tries to drain his brain. I told Ivan that Pickens is moral, and he wouldn't do something that would hurt other Gulf shareholders just for the money. But Ivan couldn't believe that. He said, 'If Pickens sells, I'm going to jump out the window.'"

This arb claims that when the Gulf offer was on the table, Boesky sold about one million shares through one of his stooges. "Everyone knew there was a 'European' in London selling to First Boston," says the arb. "I'm positive it was Ivan."

When I repeated this to Boesky, he denied it. "Nobody outside my operation—and very few inside—knows what the hell I do," he said testily. He added that there are many "copyists" in his business, and that he guards his privacy. He conceded that his covertness derives from more than a business need. "I'm a paranoid person. I won't show trading records, won't show financial records—I'm the kind of person who looks at his address book like this" (he held it close to his chest and opened it a crack).

Then he smiled. "A European in London—that's heavy stuff. If I went to all that trouble, would I tell you?"

Traditionally, an arbitrageur is a master of disguise, frequently trading through stooges so that his fellows—whom he may want to sell to or buy from—cannot see his hand. And no one has more of a reputation for elaborate subterfuge than Boesky, who is said to trade through dozens of blinds and often to hide a transaction with double blinds, so that the ultimate buyer or seller has no idea that he is dealing with Boesky.

Still, because of the size of Boesky's positions and his aggressive trading style, other arbs claim that they can usually track him, though it may take several hours or a day. And because of his reputation for having the best information of any arbitrageur and his apparent prescience in many deals, Boesky is the constant preoccupation of the other arbs. In a small or medium-sized deal Boesky often buys more than five percent of the company's stock, which requires him within ten days to file a disclosure document called a 13D with the Securities and Exchange Commission, listing the dates and amounts of his purchases (and sales) and the approximate prices he paid (and received). Other arbitrageurs avidly scrutinize Boesky's 13Ds, which are immediately made public; it is like flipping to the last page of a puzzle book to see if one's guess is correct.

On March 5, the day Gulf Oil accepted Socal's offer, there was great rejoicing on the Street—not only because a

lot of multimillionaire arbs believed that they were going to get richer still but also because they had hated Gulf ever since the day, in August of 1982, that it had walked away from its agreement to buy Cities Service. The pullout badly hurt many arbs, probably Boesky most of all. "Hallelujah," Boesky said to his pension-fund audience on March 6. "Gulf Oil is gone."

That exultation was premature. Senator Johnston's bill began to attract attention from the press on March 6, and on March 7—the day the stock fell from 69 to 64—Jay Higgins, an investment banker at Salomon Brothers who was representing Gulf in the deal, received a call from Boesky. As Boesky and other major arbs have taken bigger and bigger positions in the past few years, sometimes controlling more than 50 percent of the stock in small deals, investment bankers representing companies that seek to take over others have grown increasingly solicitous of arbs. Typically, an investment banker will want the arbs who have stock to sell it to his clients. Such relationships are suspect, of course, because the arbs may receive inside information from a banker eager to please. According to Higgins, the policy at Salomon is for the investment bankers not to take calls from arbitrageurs before a deal is announced. "Unless you have a total mutuality of interest, it's almost impossible to talk," Higgins says. "Before a deal we might have a bidding schedule, and Ivan might very well have a good idea of who's coming in. If he says it, and I don't deny anything, that can easily be construed as confirmation." That would convey important information to someone not authorized to have it. But by March 7 the deal was already on the table, and Higgins and Boesky both wanted the Gulf-Socal merger to go through. "So I took his call," Higgins says, "and he said, 'I'm sincerely interested in this deal's going through.' I said, 'Define sincere.' He said, 'I've got four million shares.'"

Boesky offered Higgins his outline of the situation in Washington. To many of the arbs, it seemed that Senator Johnston, the deal-killer, had come out of nowhere. But not to Boesky. Johnston had unsuccessfully offered his anti-merger bill on February 28 and had then introduced it as an amendment to another piece of legislation on February 29. It was tabled, but with a surprisingly close vote—52 to 42. This received no attention in the major financial press. But, Lance Lessman says, he found out about the Senate vote soon after it occurred. After studying the *Congressional Record* line by line, consulting several Washington lawyers who specialize in lobbying, and talking to staff members of all the senators involved, including even those senators who had been absent on the day of the vote, Boesky and his researchers concluded that the Johnston bill might well return; but they thought it unlikely that it would target Gulf-Socal retrospectively. Boesky offered Higgins a legislative-research package that had been worked up the previous week. It "had a million pieces," Higgins says. "It was really comprehensive. If we had to do it ourselves, it would have taken days."

The next ten days were harrowing. Lessman describes

them as "the period of hell—the worst I've ever seen in this business." Higgins spoke with Boesky about once a day. "I felt like I could have talked to him every fifteen minutes," Higgins says. "He was *very* nervous. Always calling me from his car, with some new piece of information. He wants to know *everything*—who the third person along at dinner was, and literally what they ate."

Boesky has long been recognized as the most voracious gatherer of information on Wall Street. It is rumored that he employs someone just to keep track of corporate jets as they fly around the country. When one employee calls the office, he identifies himself as Flash Gordon ("He thinks he's a secret agent," Lessman says). And it was Boesky who developed the practice, now followed by almost every arb, of hiring armies of lawyers in a deal, not only to analyze the legal issues but also to try to find out in advance which way a judge or a government body is going to rule—or, at the very least, to be in the courtroom for the key ruling and be the first to the phone.

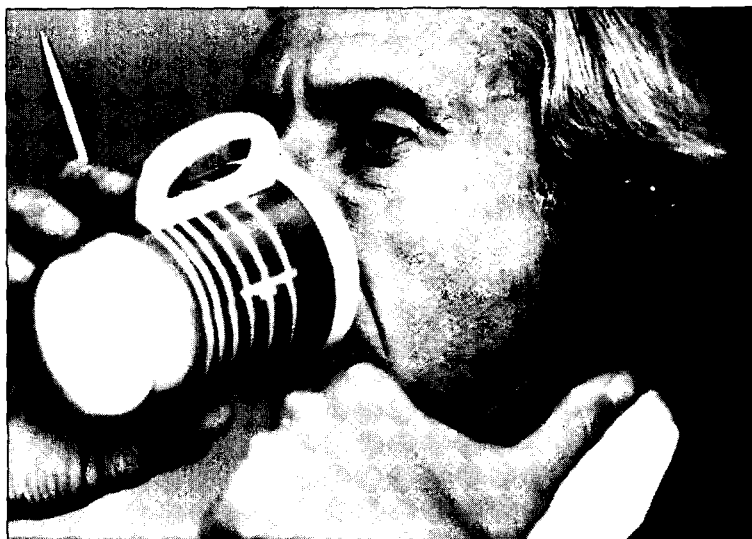
The Gulf case offered brand-new terrain for Boesky and the other arbs, because it was the first time that Congress—not the anti-trust division of the Justice Department, or the Federal Trade Commission, or some other government agency—would make or break a deal. Boesky hired political consultants, economists, and at least half a dozen Washington law firms. He and his army of advisers concluded that the legislation had to clear six hurdles. The Senate would have to pass the bill; the bill would have to include Gulf-Socal; the House would also have to pass it; the bill would go into conference, and the Gulf-Socal deal would have to be included; it would have to be passed by both bodies before the spring recess; and the White House would have to withhold its veto. Lessman says that in his memos to Boesky making this argument he pointed out that even a 90 percent probability that each of these events would happen would amount to only a fifty-fifty probability that the compound event would occur.

Other arbitrageurs estimate that Boesky unloaded one to one and a half million shares of his Gulf stock during the week of March 7 to March 14. Boesky denies that he sold that much, saying that he sold "an immaterial amount." Unlike many of the arbs, who trade in and out of a stock all day in order to make a quarter or a half point, Boesky typically chooses his direction—either in or out of a deal—and then moves in it. He was mainly a seller until March 15, when the first clear sign of Administration opposition to

the legislation appeared, in a statement by the Office of Management and Budget—a heartening, though inconclusive, development. It was all Boesky needed. He began to buy again, in what he calls "buying into panic." The stock was in the high sixties. He continued to buy aggressively during the next two weeks, as the stock price moved into the low seventies and the legislation—in the face of increasingly explicit White House threats to veto—gradually died.

Higgins says that Boesky later told him that he had accumulated about five million shares in all. This is also the Street estimate of his position. It is a figure that dozens of arbitrageurs interviewed recently find staggering. The general rule they all say they follow is diversification, rarely risking more than ten percent and never more than 20 percent of their capital on one deal; Boesky, however, risked all his capital on Gulf. "You don't like people equally, or foods equally, so why build a portfolio equally?" he asks. "There must be securities you like *most* of *all*. And if you do but don't support them with capital, then you are only practicing."

One arbitrageur who is close to Boesky estimates that Boesky bought five million shares of Gulf stock at an average price of \$67 a share and sold them for a profit of roughly \$65 million when the deal finally closed, on April 26. But during the second week in March it had looked as probable that the deal would "crater" as that it would survive. Had that happened, Gulf would likely have fallen about 30 points, below where it was when Pickens began his courtship. Boesky would have lost about \$120 million. "Ivan did the same thing here that he did in Getty, and in Cities Service," the arb says. "He bet the ranch."



IN THE PAST DECADE BOESKY HAS BROUGHT RISK ARBITRAGE from an arcane specialty, performed by a handful of speculators who kept their activities as private as a family secret, to a form of investment practiced by arbitrage departments at every major investment-banking firm on Wall Street, as well as by dozens of independent "boutique" firms (many of them started by Boesky protégés, who are called "clones of Ivan"). And Boesky has pushed aspects of the arbitrage business—research, leverage, and position size—far beyond their previous boundaries. "Ivan has become the standard," says Steven Oppenheim, a partner in the accounting firm of Oppenheim, Appel, Dixon & Co., who numbers most of the major arbitrageurs

among his clients and who has been Boesky's tax adviser for nearly ten years.

In Boesky's pre-arbitrage life there was little indication that he would ever dominate any field. Indeed, until he found arbitrage, the only activity to which he had devoted himself with comparable discipline and passion was high-school wrestling. Boesky, who grew up in Detroit, took up wrestling in the ninth grade. He recalls that he had no natural talent for the sport, but it nonetheless became his obsession. He practiced at every free moment; during a fifteen-minute recess, Boesky says, he would take three and a half minutes to change into his gym clothes, practice for eight minutes, and have three and a half minutes to change back. By the end of the tenth grade Boesky had been chosen the outstanding member of the team. "I demonstrated to myself that natural ability was not necessarily as important as will, determination, desire to succeed," Boesky says.

Wrestling remains an emblematic experience for Boesky, and he likes to draw parallels between his past and current passions. "Wrestling and arbitrage are both solitary sports in which you live or die by your deeds, and you do it very visibly," Boesky says. "There is no saying 'He didn't open the hole for me.' " Boesky says that he learned about "energy allocation" through wrestling. "There are times when I really feel like dropping, but I don't, and that kind of summoning up, I think, is what I learned then. There are plenty of opportunities in life to be beaten down. People feel beaten, demolished, demoralized, and they give way to it. I don't."

Boesky's father arrived in this country from Russia, indigent, at the age of twelve. He ultimately bought two restaurants in the Brass Rail chain in Detroit; another restaurant Boesky's father owned was on the corner of Farnsworth and Hastings—now the name of the subsidiary of an English trust that Boesky controls. (He shows sentiment in his company names: Seemala, for his wife, Seema, and TheoJon and MaraBill, for his four children, are the subsidiaries of the Boesky Corporation.) Boesky, who has one sister, describes his family when he was growing up as comfortable: "We didn't have as much money as the chairman of the Ford Motor Company—though we do now," he says with one of his taut smiles. Although he insists that money-making was not a goal much emphasized in his home, his ambition nevertheless surfaced early. When he was thirteen, he bought a 1937 Chevy panel truck, painted it white, and drove it (without a license) to Detroit's parks, where he sold ice cream. "I made about \$150 a week, all in dimes and nickels," Boesky says. "It taught me to appreciate the green kind."

Boesky says that the primary value in his home was education ("My parents would have not eaten in order to send me to Cranbrook"). Nonetheless, his academic career was desultory and lackluster. In an interview Boesky named the Cranbrook School as his preparatory school, the University of Michigan as his college, and Detroit College of Law as his graduate school. School records, however, show

that he did most of his undergraduate work at Wayne State, transferred to the University of Michigan for two semesters, and then transferred to Eastern Michigan College. He never received a degree. Detroit College of Law did not then require a college degree, and he began his studies there in September of 1959. He withdrew twice, returned in 1962, and ultimately received his law degree in 1964.

Boesky says that he applied for jobs with Detroit's more prestigious law firms and was rejected. He spent a year clerking for a federal district court judge, Theodore Levin. In the meantime, he married Seema Silberstein, a daughter of the Detroit real-estate magnate Ben Silberstein, who owned the Beverly Hills Hotel. (Levin was a relative of the Silbersteins.) Boesky reapplied to the law firms with his clerking credentials, he says, and was again rejected. He took a job in accounting in the Detroit office of Touche Ross. But accounting did no more to spark Boesky than school or the law had. In 1965 he was twenty-seven, married, with one child, and his peers were starting to establish their careers; but for him, nothing fit. "I would fall asleep sometimes," he says, "just thinking about the things people I knew did."

At about this time he learned of risk arbitrage from an old wrestling teammate at Cranbrook, Marvin Davidson, who was an arbitrageur at the New York investment-banking firm of Bear, Stearns. Boesky says that he was "instantly intrigued by the mystery of arbitrage, the fact that no one knew anything about it." With the wave of conglomerate mergers then taking place (companies like Gulf & Western were busily swallowing up much larger ones), risk arbitrage was fast becoming one of the most lucrative games on the Street.

Risk arbitrage is different from and far more profitable than classic arbitrage, in which the arbitrageur takes advantage of small discrepancies between financial markets—such as the spread between the price of a stock and the bond convertible into that stock, or between the London price of a security and its New York price. Risk arbitrage began to be played in the 1930s and 1940s, when railroads and public utilities were being reorganized. In the sixties it was still relatively primitive. In 1961 Steven Sherman, who in the seventies would be one of the key arbs and a close friend of Boesky's, began to work for Gustav Levy, the legendary master of risk arbitrage, at Goldman, Sachs. Sherman recalls that when a merger was announced, his job was to call the companies involved and ask a few fundamental questions—about terms, anti-trust problems, tax rulings, and the timetable. That was it. "It was basically a buddy system," Sherman says. "Gus Levy would sit in the trading room, talking to his cronies, who were the heads of corporations."

When Boesky arrived in New York, in 1966, arbitrage was the province of a handful of Jewish firms—mainly Goldman, Sachs; Bear, Stearns; L. F. Rothschild; and Salomon Brothers—all trading for their own accounts. Trading, Boesky says, was a "dirty" business, not fit for Wall

Street bankers. Second-class though arbitrage was, it was practiced by a group that functioned like a private club to which no one could be admitted without a sponsor. Boesky had no sponsors. Finally he got a job at L. F. Rothschild, but he was given little opportunity to do arbitrage. He went to First Manhattan, but little money was available there for arbitrage. Then he went to Kalb Voorhis, where he was fired the day after he lost \$20,000 on a deal. "They were risk-averse," Boesky says.

Like many others who have known Boesky over the years, Sherman, who has since dropped out of the arbitrage world and lives in a commune in Oregon, where he goes by the name of Jayapal, traces what he calls Boesky's "enormous appetite" at least in part to his need to prove himself to his father-in-law, Ben Silberstein, who is reported never to have thought that his daughter had married well. "They lived in a gorgeous co-op on Park Avenue that Seema's father had given them, with Renoirs on the walls—but it was emasculating for Ivan," Sherman says. "And after he lost the Kalb Voorhis job, he could not find another. He felt as though he were on a park bench."



AFTER SEVERAL MONTHS BOESKY WAS HIRED, IN 1972, by Edwards & Hanly, a thinly capitalized brokerage house, to run the arbitrage department. Given his head in arbitrage for the first time, Boesky began to exhibit his distinctive traits. Whereas the major arbs functioned in a fairly cooperative fashion, sometimes instructing one broker to buy stock for all of them and parcel it out among them, Boesky never played by their rules. He never worried about shutting out his peers and taking all the available stock, or about driving the price up. He would buy and buy and buy until he had his fill. Boesky was soon dubbed "Ivan the Terrible." "He was such a plunger," Sherman says. "He'd sell everything so that he could put it all in one position. No one else did that."

Edwards & Hanly was failing, and it lacked the capital to support Boesky's style of business. On one occasion Boesky overstepped his limits and was fined \$10,000 by the SEC for failing to deliver on time securities that he owed in a short sale. Usually, though, he managed to play the game his way—taking positions, then considered huge, of one or two million dollars—by using leverage.

Arbitrageurs routinely leverage their capacity to purchase by paying 50 percent on stock purchases and bor-

rowing the other 50 percent, the limit allowed under Federal Reserve regulations. But a broker who is a "specialist," an exchange member who has agreed to help maintain stable prices of certain stocks by buying and selling them for his own account when trading on them becomes too volatile, is exempt from the 50 percent limit and can generally borrow up to 90 percent. He also has a lower minimum-net-capital requirement than an ordinary broker. Although being a specialist on the New York Stock Exchange carries stringent obligations, regional exchanges are much more lenient. According to Sherman, Boesky became a specialist on regional exchanges in order to leverage himself up to 90 percent during his Edwards & Hanly days.

In 1975 Edwards & Hanly went bankrupt, and Boesky decided to go out on his own. On April 1, 1975, with a stake of \$700,000 from his mother-in-law and her husband, Boesky opened the doors of Ivan F. Boesky & Co.—two little rooms that had been the trading area of Edwards & Hanly. It was the first limited partnership devoted exclusively to risk arbitrage. The split with his investors was the same as it is today (55 percent of profits to him, 95 percent of losses to them), but the minimum investment required was much different. Then it was \$75,000; today, Boesky says, it is between \$5 and \$10 million.

The arb community had always wanted to keep the number of players small; the less capital available to play, the bigger the spreads. And these arbs had never needed to go to the public for funds, because they all played with their firms' capital. Boesky, however, needed investors. So, to the horror of his fellow arbs, he ran ads in the *The Wall Street Journal*. He hired a publicist. Soon he began to be quoted in the financial press.

The opening of his firm had come at an extremely fortuitous time. It coincided with an explosive increase in mergers, especially hostile takeovers. Takeovers spawned a whole new industry of lawyers and investment bankers specializing in them, and the arbs—who discovered the joys of competitive-bidding situations—were profiting most of all.

Boesky's growing success, however, apparently did nothing to diminish the ferocity of his drive to accumulate personal wealth. Of the chief assistants he employed then not one remains. Several of these former employees say that they entered as "cheap labor," with the understanding that if their work warranted it, they would be made partners. They describe the company as a sweatshop, a place

where a dozen people worked in cramped quarters, often until 2 A.M., under harrowing pressure and abuse from the violent-tempered Boesky, who even when he began to make millions paid them meager wages. None ever became more than a nominal partner—receiving one-twentieth of one percent, for example, as opposed to the three to ten percent that a few who had been with Boesky from the start felt they deserved. “He’s not a sharer,” says one, summing up the consensus. “He doesn’t want to build a firm—he wants to build one of the richest families in America.” One former associate recalls that Boesky had a T-shirt (which he did not wear but sometimes brought out to show people) that was inscribed “He who owns the most when he dies, wins.”

Nearly all these former employees credit Boesky with having taught them the techniques of research that are now considered primary in most arbitrage operations (a few renegade arbs insist that the game can usually be played on instinct). But they also consider it a feat of endurance to have done research for a man whose appetite for information was insatiable, who was obsessed with the notion that, as Boesky says, “it’s the little things that kill you,” and who wanted everything—stock purchases and information alike—instantly.

By the beginning of 1980 the \$700,000 of capital that had opened the firm in 1975 had grown to more than \$90 million. But then in March of 1980 came the day the arbs recall as “Bache Tuesday,” when the Hunt brothers failed to meet a margin call in their silver trading and it appeared that Bache & Co., their broker, might have to liquidate all of its sizable arbitrage portfolio. Because of the anticipated glut in the market, the deal stocks plummeted. “We lost ten million in one day,” a former Boesky employee says. In the first quarter of 1980 the firm’s capital sank by about \$45 million. Boesky was able to recover it by the end of the year, finishing up 1980 only five percent ahead.

In May of 1980 Boesky told his top half-dozen employees that he had decided to terminate his interest in the firm and offered to sell it to them. After protracted negotiations the employees decided that his terms were too onerous (they included the employees’ indemnifying him against any liability, though he reserved the right to decide whether to settle any claims). Since the firm’s continued existence was necessary to Boesky’s gaining a tax advantage, Boesky finally recruited Stephen A. Royce, who had headed the arbitrage department at the investment-banking firm of Morgan Stanley, to take over the firm. Boesky paid Royce \$1.5 million. He also left \$7.25 million of his wife’s money in the firm, which was renamed Bedford Partners. In 1982, after the firm suffered heavy losses, Boesky’s wife withdrew her money and Boesky’s connection with Bedford Partners ended.

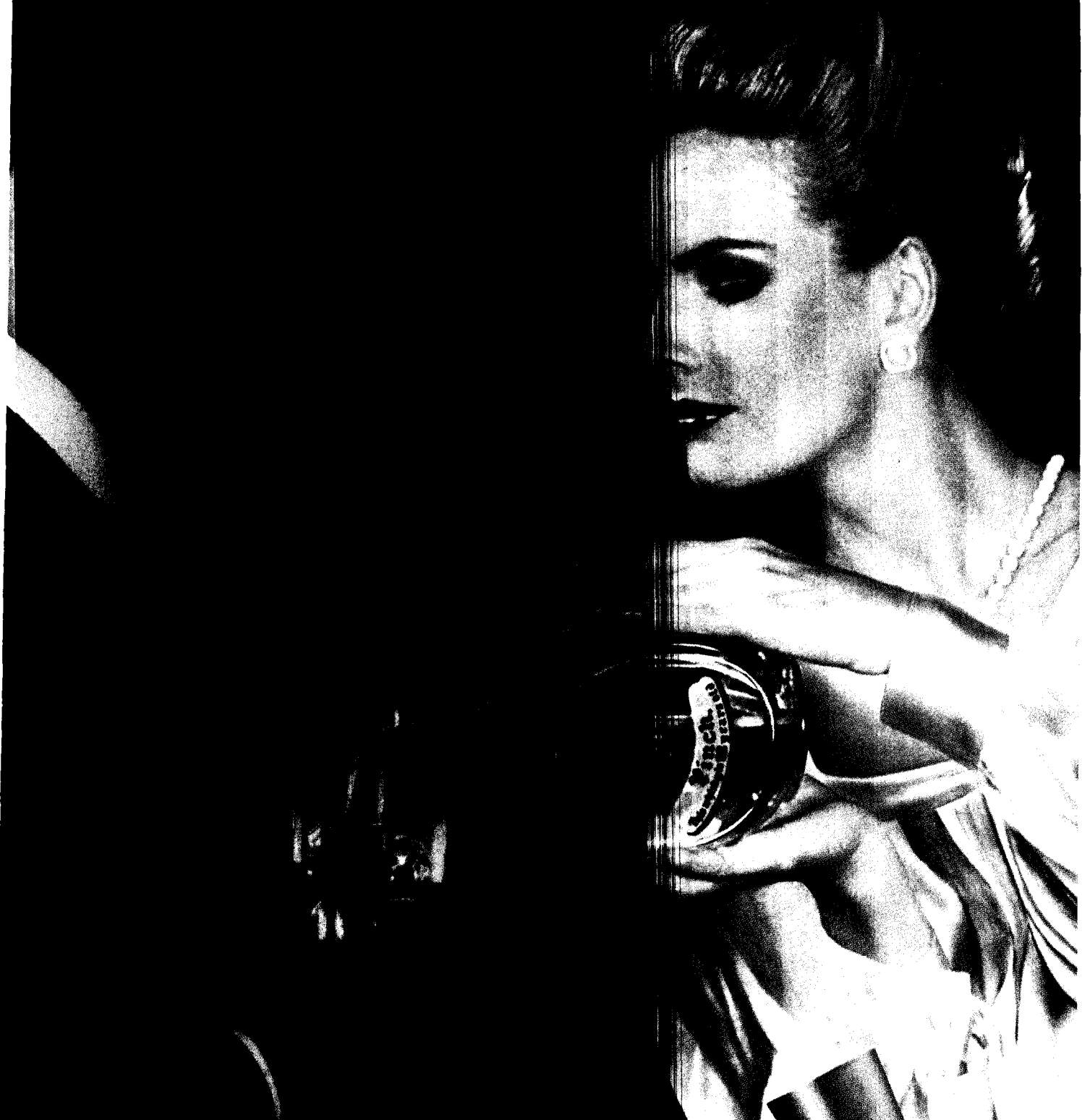
In a letter to his investors telling them that he was terminating their interest in the firm (and that he would pay them their initial investments and profits), Boesky suggested that appropriate places to invest much capital had become scarce, now that the takeover boom was ending.

Many in the financial community thought that Boesky, having overexposed a great private business, was abandoning it. By 1980 every major investment-banking firm had a well-capitalized arbitrage department, and there were dozens of boutiques—all soliciting the public, as Boesky had. Former Boesky employees and others suggest that Boesky pulled out in 1980 in part because he no longer wanted the liability inherent in a limited partnership, but mainly because of taxes. Boesky, like most arbs, had deferred his taxes year after year, but the time of reckoning was coming. By ending his interest in the partnership he could pay his deferred taxes on capital gains rather than on ordinary income—a huge savings.

So he left the arbitrage scene that he had in large part created, officially closing the doors of Ivan F. Boesky & Co. in January of 1981. He announced that he was going to pursue other investment opportunities. A mere three months later he was back, raising money for the Ivan F. Boesky Corporation, which opened its doors in May.

RISK ARBITRAGE HAS BEEN PERCEIVED AS A KIND OF wizardry—one that combines the precision of science with the intuition of art and that is beyond the ken of all but the most intelligent. One arb argues persuasively, however, that his fellows—Boesky more than any—tend to overemphasize the intellectual aspects of the game. He tells a story about stock speculation as an example of how instinctively arbitrage can be played. “I had a young girl from Yale working for me when *E.T.* came out. She went to see it, came back, and said, ‘That was great. I think it’s going to be the biggest gross of all time.’ I picked up the phone and said, ‘Buy 250,000 MCA.’ She said, ‘Why did you do that?’ And I said, ‘That’s how we do business. Now we’ll see how good you are.’” He adds that MCA was selling at about \$40 a share; he invested \$10 million, and made close to \$500,000 over the next two days. This arbitrageur says that he respects Boesky’s research capacity and his talent for making an overall assessment of a deal. “But Ivan’s biggest talent—and the particular talent you really need in this business,” he says, “is the willingness to risk money.”

Boesky’s profit-and-loss statements covering the period from the formation of his new firm, in May of 1981, to February of 1984 bear out the legend of an individual who takes an inordinate risk, suffers a severe beating, and then rises to risk again—and win bigger than anyone. For the ten-month period after his opening Boesky earned \$12.4 million in pre-tax income, making the firm’s rate of return on opening capital of \$28.4 million 44 percent. This was a reasonable return for a ten-month period in that year, according to other arbs, but not what the Boesky aura would have led one to imagine. In the fiscal year that ended in March of 1983—during which Gulf pulled out of the Cities Service deal—Boesky lost \$13.7 million. For the year that ended last March—in which he scored on the Gulf-Socal and Getty-Texaco deals—Boesky made \$76.5

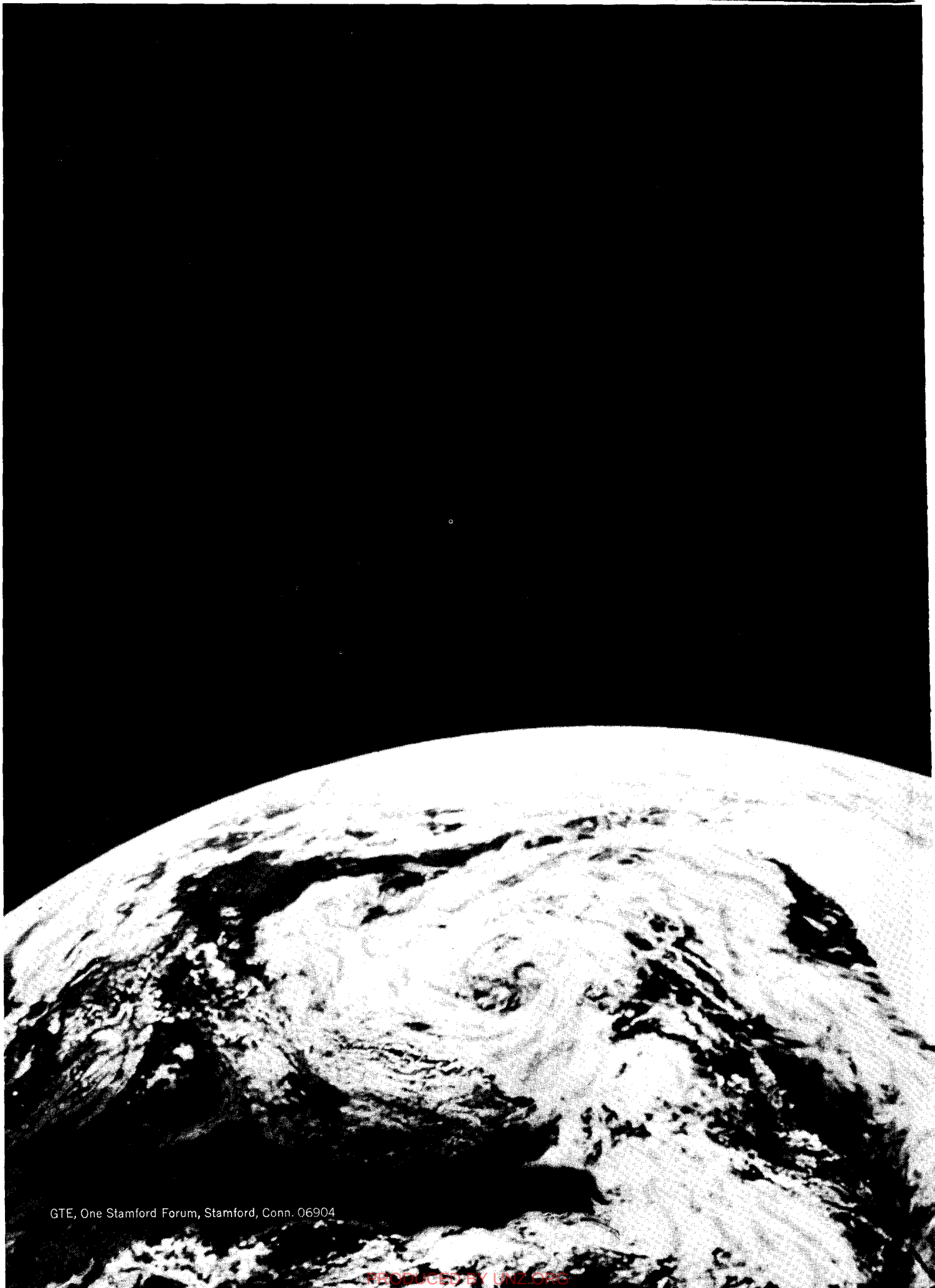


A Glorious Beginning

Extraordinary...12 year old Scotch.

NEW YORK, NY © 1983





GTE, One Stamford Forum, Stamford, Conn. 06904

PRODUCED BY UN2.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"Going this far to improve a light bulb?
GEE!"

(No, GTE!)

Everyone knows about the untethered space walk during NASA's first Challenger space mission. But what everyone doesn't know is that several of our Sylvania Metalarc™ lamps were tested out in space during that same mission.

Why did we have to go into outer space to experiment with a light bulb?

To test it in a zero-gravity environment. You see, gravitational forces affect the circulation of the hot gases inside lamp arc tubes. And data collected on the behavior of the lamp arc without the disturbances of these forces can help us design more efficient lamps.

The experiment consisted of three Sylvania lamps installed in a canister specially designed by GTE Laboratories to withstand the trip to space and back. Also installed in the module were three cameras programmed to photograph what happened to the lamps in the gravity-free environment.

Now that's what we call going to great lengths to make a better light bulb.



PRESENTING STERLING



Available in Regular
and Menthol.

IT'S ONLY A CIGARETTE
LIKE PORSCHE IS ONLY A CAR.

12 mg. "tar", 1.0 mg. nicotine av. per cigarette by FTC method.

Warning: The Surgeon General Has Determined
That Cigarette Smoking Is Dangerous to Your Health.

PORSCHE® is a registered trademark
of Dr. Ing. h.c.F. Porsche AG,
manufacturer of PORSCHE automobiles.

million in pre-tax income, giving his firm a dazzling rate of return on opening capital of 296 percent.

Boesky says that he has not taken any profits out of the company since it was formed but has reinvested them in preferred stock, so that more than 25 percent of the firm's capital is now his. Owning preferred stock opens Boesky to the same risks his investors face. "That is one of my philosophies of life," he says. "I wouldn't ask people to invest their money without investing my own alongside them."

The increase in Boesky's capital to an amount estimated to be over \$200 million has done nothing to curb his taste for leverage. His tax adviser, Steven Oppenheim, says: "Ivan is an edge player; he's got to go to the maximum. Or, to put it in tennis terms, he uses the full court—and he's probably better at it than most." One of Boesky's leveraging maneuvers has been to act as a specialist in options, or an "options market-maker." An options market-maker can elect to "clear"—pay for and process the securities he buys—through another broker-dealer. Although maintenance margin requirements demand that an options market-maker use cash for a set percentage of his purchases, the clearing broker can allow the market-maker to get around those requirements by assuming the debit—in effect becoming the market-maker's banker. Until recently Boesky cleared as an options market-maker through Spear Leeds & Kellogg, a well-capitalized brokerage firm where he had a very good relationship with the chief arbitrageur, John Mulheren, who retired in August at the age of thirty-four. Spear Leeds is said to have extended to Boesky the kind of credit that many firms would not.

Another form of leverage that Boesky is said to have used in the Cities Service deal—almost to his undoing—is called the "bona fide." When every condition of a deal has been satisfied and no controversies remain, a broker can represent to a bank that the deal is "bona fide" and borrow up to 90 percent of the value of the stock he owns.

The danger of leverage, of course, is that although it allows one to maximize the use of one's capital, making a much higher rate of return, it is disastrous if stock prices fall. Then one loses not only one's own capital but all that was borrowed. Cities Service offered a demonstration of just how life-threatening leverage can be. T. Boone Pickens started the action in May of 1982 by gathering investors to help him make a tender offer (an offer to all shareholders to buy stock at a given price) for Cities Service. Cities, launching a pre-emptive strike, tendered for Mesa; and Mesa then tendered, as planned, for Cities. On June 17, 1982, after five weeks of intensive maneuvering on both sides, Gulf Oil came in as a white knight for Cities, agreeing to pay \$63 a share. It is estimated that Boesky bought about 1.5 million shares of Cities Service, at an average cost of about \$46 a share, for a total of \$70 million.

The Gulf offer was "front-end loaded," which means that Cities Service shareholders were required to turn in their shares ("tender") to Gulf by a given date in order to get full value for them. All the arbs, therefore, tendered by the end of July. It is said that at this point Boesky repre-

sented to Chase Manhattan that the deal was a bona fide and borrowed as much as 90 percent on his stock. In the next week, while the stock was trapped in the tendered pool, signs appeared that the deal was soft. Boesky says that had the stock not been frozen he would have withdrawn and sold the bulk of it. Lessman, his assistant, says of that week, "You just wrapped yourself in a blanket on the deck of the *Titanic* and watched the iceberg come closer."

On Friday, August 6, Gulf announced that it was canceling its merger with Cities Service because of anti-trust problems raised by the FTC (Cities Service has since sued Gulf for breach of contract). According to Boesky's lawyer, Stephen Fraidin, there was concern at the New York Stock Exchange that Boesky's losses would be so great as to constitute a violation of his firm's minimum-net-capital requirements. Other arbitrageurs say that officials at Chase Manhattan feared that Boesky would be in violation of Federal Reserve regulations governing his borrowing from them. Although Boesky was convinced that another offer would appear for Cities Service (as indeed it did, two weeks later, when Occidental Petroleum made a bid for Cities Service, offering \$58 a share and rescuing many other arbs), he had no choice but to sell an amount of stock estimated to be more than 800,000 shares, or about half his holdings. Oppenheim says, "Ivan never lost control of his ship. He made the decision how much to sell. That's not to say that if he hadn't sold, of course, he wouldn't have been ordered to [by the Exchange]."

Boesky is said to have unloaded a large portion of the stock on the day that Gulf canceled. He is said to have sold 400,000 shares at \$30 each on the Pacific Stock Exchange, hours after all the other exchanges in the country were closed. He may have sold some stock in Europe. He is also said to have paid millions that night to a trader who constructed for him a very complicated options transaction involving many strike prices and many different options. Then all Boesky could do was wait. One friend recalls that it was a weekend of anguish for Boesky. "He felt that his destiny was out of his hands and the market was in control," says the friend, explaining that had the market opened on Monday morning at \$20 per share for Cities Service—instead of at \$30, as it did—Boesky probably would have been out of business. His losses in Cities Service are estimated at \$18 to \$24 million, and he lost money for the year. Boesky will not talk about Cities Service now except to say, "I did not make a mistake in my thinking. If I'd changed my way of thinking for that deal, then I would never have done all the rest."

LEVERAGE EXPLAINS HOW BOESKY TAKES HIS KIND OF risk; the more interesting question is why he keeps taking it. At least part of the answer must be that he is built for doing so and always has been. But many other arbitrageurs and some investment bankers suspect that Boesky makes his big bets not out of extraordinary courage

but out of conviction based on inside information. However, SEC inquiries into this question have never yielded charges against Boesky or, for that matter, against any other arbitrageur. As one former SEC attorney says, "The proof questions are very difficult. Everything is word-of-mouth, contacts don't get memorialized. And it's all nuance. Just the way someone reacts may be a clear signal to an arb, when to you or me it wouldn't seem significant at all."

A trader on the floor of an exchange, for example, may be accumulating under his firm's name large quantities of stock for a company positioning itself to make a tender offer. If the trader needs to buy that stock within a relatively short period of time, his purchases will be noticed. If one of the arbs for whom he frequently makes trades calls him and asks who the buyer is, the trader may say, "The buying's okay. I would feel good about your buying." The arb can then feel confident that the stock is being bought not by another arb but by a company preparing to do a deal.

Conversations in the negative often carry the most import. At one point before the recent deal in which Texaco acquired Getty, Getty and Pennzoil announced that they had come to an agreement but had not yet made the terms final. Many in the financial community found it a peculiar announcement, in that it seemed to signal to any interested buyer that the door to Getty would still be open if the price were right. Indeed, within two days Texaco, represented by First Boston, came in with a higher bid, to which Getty agreed.

One arb recalls noticing, the day before Texaco made its bid public, that the traders in First Boston's arbitrage department had stopped buying Getty options, and he surmised that they might be restricted from trading because the investment-banking division at First Boston was preparing a new bid for Getty. He had someone offer some Getty options to a trader at First Boston and then press him about his reasons for not buying any. Finally the trader said, "I can't discuss it." That was all the arb needed. He bought still more Getty stock, which was trading that day at about \$104 (with Pennzoil's offer of \$110 on the table). The next day the Texaco bid, \$125, was announced, and the deal closed at \$128. The arb's conversation had afforded him a \$24-a-share profit.

Boesky certainly asks as many loaded questions as the next arb. And the rumors that continually circle around him are that he, more than any other arbitrageur, gets answers from investment bankers—who have particularly incestuous relationships with him because he often controls such sizable blocks of stock in companies with which the bankers are dealing. The general suspicion that Boesky *knows* is, of course, one reason that other arbs try to track him.

The deal that excited much recent comment in the arb community about Boesky's prescience was the Brown-Forman Distillers Corporation takeover of Lenox, Inc. On June 8, 1983, Brown-Forman announced a cash tender of

about \$413 million for all common shares of Lenox, at \$87 a share. In an age of megamergers that go well into the billions, this qualified as a small or medium-sized deal. Brown-Forman's bid came across the Dow Jones tape at 11:41 A.M. This was the starting gun for the arbs. While trading was suspended for nearly two hours, they went through their usual frenetic paces—scouring all public documents on the companies and calling the relevant securities analysts at brokerage houses, who give them information in return for brokerage commissions. Many arbs thought that Brown-Forman's bid of \$87 a share was so overpriced that the company might have second thoughts and back away. Brown-Forman hadn't been involved in an unfriendly bid before, so its mettle had not been tested. Still, the past couple of months had been relatively dry, and the arbs were eager for action. So eager that—as happens more and more, because of the abundance of capital in arbitrage—at the start there was no arbitrage spread at all. Brown-Forman was offering \$87 a share, and the stock opened at 1:33 that afternoon at 87¾.

Boesky bought 30,000 shares and paid an average of \$88 for them (the 13D he was required to file maps his purchases and sales). The stock closed that day at 86½. The next day Boesky bought 2,000 more shares, at 85¾, while the stock hovered between 85 and 86. And on the third day, June 10, he unloaded his 32,000 shares at 85½, as the stock dropped to a closing price of 84.

Over the next twelve days Lenox mounted a surprisingly strong counterattack. After spurning Brown-Forman's offer Lenox produced what has become known as the "poison-pill defense," in which it threatened to issue a preferred stock that in the event of a Brown-Forman takeover would become convertible into Brown-Forman voting stock and dilute the Brown family's control of the company. Brown-Forman sought a temporary restraining order against Lenox. The price of Lenox stock dropped steadily until, on June 21, it hit a low of 75¾.

Between June 15 and June 21 Boesky bought back into the stock in moderate fashion (he bought 20,500 shares one day, 5,000 the next), then sold a little less than half his position, and then bought blocks of 4,900 and 5,000. It was, another trader says, a "wishy-washy pattern." On June 22 Brown-Forman announced in court papers that, contrary to Lenox's recent allegations, it intended to go forward with the deal, regardless of the "poison pill." Other arbs say that the statement did little to alleviate their concern about the completion of the tender offer; but they later found out that at the same time, the resolve of the Lenox directors softened, leading them to accept the Brown-Forman bid. And it was on that day that Boesky suddenly took heart and purchased 62,600 shares, at an average price of 79¾. His purchase accounted for nearly half the volume of the trading in Lenox that day.

"I remember seeing those shares purchased in the name of Settlement Corporation," one trader says. "It was a name Ivan hadn't used before. Even double blinds break down, so you always have to have a fresh name in reserve."

It threw everybody off balance. By the second day, June 23, people had figured it out—Settlement was out there, buying the lion's share of everything." Boesky bought 144,800 shares that day at an average price of 83. Once again, his purchases accounted for a little less than half the volume of the trading that day. He also sold 24,000 shares. His competitors interpret that as either an attempt to keep the price down, particularly if he sold in his own name (the 13D doesn't say), or a safety device for any later SEC inquiry (he could use the trade as a sign of ambivalence).

On June 24 Boesky loaded up still more heavily—157,000 shares at an average price of about 84½. The merger agreement was announced on June 28, at a price of \$90 a share. In the end he had bought 406,700 shares, or nine percent of the outstanding stock of the company. He probably made about \$4 million on the deal. A graph of the stock's price from the time of the announcement of the bid to the announcement of the merger agreement would show a deep V—from \$88, to \$75, to \$90. Boesky started his heavy buying close to the bottom, the day after the stock prices reached their nadir and began their sharp ascent. Since the stock had traded in the high fifties before the Brown-Forman bid was announced, and presumably would have fallen there or lower if the deal had cratered, the risk was more than twenty points. To make his \$4 million, he risked losing about \$8 million.

Marvin Davidson, the arbitrageur who first told Boesky about the game, back in 1966, sums up the way many of Boesky's competitors feel about his activities in Lenox and in many other deals. "Ivan's critics say he's too smart, too well-informed, that his research is too good," Davidson says. "His timing seems to defy the laws of chance."

HAVING FORCED HIS WAY THROUGH THE CLOSED doors of the arb community and having come to dominate it, Boesky remains in some ways an outsider. Many of the arbs treat their fellows as sibling rivals: they will unhesitatingly unload on them stock they think is bad, but they also feel that they are kin, sharing an existence in an insular world that outsiders cannot fathom. A maverick lot, they accept one another's eccentricities. One of the most successful arbs, who made tens of millions of dollars in the past several years, on occasion came to work in a gorilla suit. "Most of us have some personality defect," Daniel Tisch, the head of the arbitrage department at Salomon Brothers, says cheerfully. "You have to, to want to gamble with this much money."

This camaraderie of the trenches does not, however, generally extend to Boesky. Professional jealousy doubtless plays some part in many arbs' antagonism toward him, but it is more than that. Not only do his competitors see him as uncommonly avaricious but most find him inaccessible on a personal level—a rigid, masked individual, possessed of a self-discipline so extreme that it suggests something mechanistic at his core. "This is the most effi-

cient, purposeful human being on the face of the earth," one former associate says. "Nothing gets between him and his goal."

There are moments, though, when the habitually tense face that gives open-and-shut smiles does relax. Like Silas Marner before the little girl with gold hair stole his heart, Ivan Boesky looks happiest when he talks about money. He may be on the phone, having one of his staccato conversations, and when he mentions how many millions he thinks there are to be made in a deal, or the fact that money has just been made, he emits a sudden low laugh of delight. He also loves money as Marner did, taking pleasure in its physical form. Once, commenting on the fact that people with whom he works are so conditioned to dealing in millions of dollars that such sums lose meaning, Boesky said, "I tell them, we are talking about *five hundred million dollars*. You are treating it as though it were nothing. Imagine it in one-dollar bills, or better yet, in a pile of silver dollars. I wonder how tall that would be." He smiled and said, "It would be like Jacob's ladder, wouldn't it? A Jacob's ladder of silver dollars. Imagine—wouldn't *that* be an aphrodisiac experience, climbing to the top of such a ladder?"

Most of the time, Boesky is not so relaxed and is working hard at projecting a very different persona. As one of those fortunate people who start out misfits and find their perfect place, Boesky seems to feel that, having recast his world according to his specifications, he must now recast himself. Thus the notoriously ruthless, rapacious Boesky says that he likes to deal with "tough guys who have soft centers and sweet spots," and laments that they are so hard to find in the business world. Described by one of his closest friends as a "money-oriented monomaniac," he declares himself to be "nonmaterialistic." So eager is he to rewrite history that in an interview he claimed that he advertised arbitrage when he opened his own firm in 1975 not because he needed to raise money but because he wanted to implement his "vision that arbitrage was something the American investing public should be aware of, and was not."

"You may say, 'C'mon, cut the crap, Ivan,'" Boesky continued, "but I'm a person composed of a bunch of sides. There is self-interest—but there is also a second side of me, that affects a hundred things I do. Public service, philanthropy." He paused, looking for the effect of his words on his listener. "I'm really not just trying to make my obituary elegant."

Boesky has been an active philanthropist, especially in Jewish causes. Last year he endowed the Ivan F. and Seema Boesky Family Library at the Jewish Theological Seminary. He is the United Jewish Appeal-Federation Campaign chairman for New York City this year. A professed Zionist who has an Israeli flag alongside the American flag in his office, Boesky finds it "embarrassing" to admit, when asked, that to this date he has never been to Israel. Boesky "never went to Israel because he didn't want to arrive there and be just like anybody else," one

former associate says. "When Ivan goes, he wants to be met, the way Bernard Baruch was met."

Boesky says that he hopes to pursue different avenues in the coming years, in publishing, the arts, and politics. He was an unsuccessful bidder for *U.S. News & World Report*. Always interested in the theater (he acted in an off-Broadway production of *Abie's Irish Rose* in the mid-seventies), Boesky now talks about wanting to "direct or produce." He also says that he hopes he might someday be appointed to a Cabinet post. Asked whether that would be more likely to occur in a Republican or a Democratic Administration, Boesky responds that he contributes to both parties.

In his business life Boesky's drive for acceptance and respectability has no doubt been a factor in his recent pursuit of what he calls "merchant banking." This involves potentially long-term investment in companies whose share prices appear to be undervalued and that are thus ripe for either a takeover bid or some form of reorganization. "Merchant banker" is a common term in England, where it refers to someone willing to put his capital to work as a combination venture capitalist, lender, and investor (Boesky's friend and fellow investor Jacob Rothschild is a merchant banker in London), but it has been little used in this country. Asked why Boesky has so named his latest activities, Stephen Fraidin replies, "Why does he meet you at the Harvard Club?"

Boesky insists that he wants to work with management in the companies in which he invests, and that he plans no unfriendly transactions. "I don't want to be perceived as an ogre," he says, "even if I make money at it."

In 1981, in an intrafamily coup, Boesky gained control of the Beverly Hills Hotel Corporation. Boesky's father-in-law, Ben Silberstein, bought the hotel in 1954 and divided the stock of the company into two major blocks of roughly 45 percent each, owned by his two daughters, Seema Boesky and Muriel Slatkin, and their children; a swing block of stock was owned by Silberstein's sister, Gertrude Marks, and her children. Starting in the early sixties, Burton Slatkin, Muriel's husband, ran the hotel with Silberstein until Silberstein died, in 1979. About nine months before Silberstein's death, Slatkin tried to buy the swing block of stock from Marks and her two children, but he failed to offer a sufficiently attractive price. As soon as Silberstein died, Boesky began covert attempts to buy the stock. Gertrude Marks refused to sell, but when she died, in May of 1980, Boesky redoubled his efforts with her two children; by November he had closed the deal and was in control of the company. Slatkin knew nothing of Boesky's maneuvers until it was too late.

Now, on Boesky's sufferance, Slatkin has continued to run the hotel while Boesky has done some financially creative things with the company. Through the Beverly Hills Hotel Corporation, Boesky also gained control of a public company, Vagabond Hotels, which he has just renamed Northview. Twice Slatkin and Silberstein had failed to raise money in a bond issue by Vagabond. Boesky decided to do something unprecedented: raise money through a

public offering of Vagabond stock and then put a portion of it into risk arbitrage. In the fall of 1983 he raised \$96 million—\$35 million earmarked for his merchant-banking and risk-arbitrage activities. Boesky apparently intends to use Northview as a vehicle for acquisitions.

Another public company that Boesky controls, and uses as a source of capital for arbitrage, is Cambrian & General Securities, an English investment trust. Boesky bought a large stake in Cambrian in early 1982. After he reorganized its portfolio, investing almost entirely in U.S. securities, Cambrian was named the best-performing trust in England. As recently reported in *Forbes*, Cambrian—because of English tax laws—allows Boesky's short-term gains in arbitrage to be taxed not as ordinary income but as capital gains.

Even as he moves into merchant banking, Boesky's thirst for arbitrage capital is as unslaked as it was ten years ago, when he had nothing and was running ads in *The Wall Street Journal*. While his fellow arbitrageurs bemoan the influx of capital (for which they blame him) and the resulting narrowing of the spreads in all but the mega-deals, Boesky scours the earth for new sources. After nearly a year of courting, he has persuaded a few pension funds to invest in risk arbitrage. That pension funds, which represent the largest pool of assets in the world, should be so reluctant is a tremendous frustration for Boesky. "This is the most conservative form of investment there is," Boesky says. "But there are huge bags of assets out there that haven't even touched it. I predict that ten years from now arbitrage will be part of everyone's investment portfolio."

Certainly, it will always remain part of Boesky's. Risk arbitrage is his *métier*. Had he set out to create a livelihood to fit his personality, he would have created risk arbitrage. It offers him the instant gratification he demands. It provides the kind of relentless, searing pressure under which he thrives. It invites elaborate subterfuges, at which he excels. When it punishes risk-taking, he has the stamina to rise again. And when it rewards, it does so with a pot of gold—which for Boesky is sublime.

It also provides intellectual challenge, though probably not to the degree that Boesky likes to suggest. He nearly always describes arbitrage in terms of mystification. He says he gazes into the looking glass and sees what no one else does. He trusts no other pair of eyes, he says. Staff members prepare memos that take him step by step through a deal, but when he reaches the conclusion, with its recommendation to buy or sell, his view is often the opposite of theirs. "I don't want to seem immodest," Boesky says of his talent, "but it is not something given to everyone. How many have read *Hamlet*? I mean, as Gielgud has, *really* read *Hamlet*?"

But then, in one suddenly unpostured moment, when he is being pressed about what was in his mind as he made a particularly harrowing bet, Boesky does not talk of intellect, analysis, or art. He smiles and says, "Two things only. Greed and fear." □

DROUGHT

BY GUY BILLOUT



How dare The Glenlivet be so expensive?

How dare we place such a premium on our 12-year-old Scotch? The same reason great vintage wines and fine champagne cognacs are so expensive. Taste. Just one sip and you'll know that The Glenlivet has a taste that's decidedly superior.

The Glenlivet is Scotland's first and finest single malt Scotch. And, just as it always has been, this 100% Highland malt whisky is distilled from natural spring water and fine malt barley, then aged in oaken casks.

Only The Glenlivet's time-honored methods can achieve this unequaled taste. A taste that sets us apart. Its smoothness, body and bouquet are qualities found only in this unique Scotch.

Of course you may elect to purchase a good Scotch that's less expensive. But for a truly superior taste, you'll have to pay us the greater price.

The Glenlivet
12-year-old unblended Scotch.
About \$20 the bottle.



© 1983. THE GLENLIVET DISTILLING CO., N.Y., N.Y.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

PROFIT VERSUS EXCITEMENT

I. A BORING WAY TO GET RICH

BY JOHN D. SPOONER

THROUGHOUT THE COUNTRY'S HISTORY, PERIODS OF general anxiety have been characterized by keen interest in speculation, in gambling, in accumulating wealth. The more fearful we are, the more we try to drown our fears in money. Right now in the United States there is a record divorce rate and there are record numbers of single-parent families. Men do not know what to expect from relationships. Women know better what to expect and are bitter about that. What a perfect era for wild stock markets, with lots of people playing a hand. For both the prudent and the frenzied, I recommend the same method. I call it the Hart Schaffner & Marx Gambit.

Most large profits in the market in the past ten years have been made on investments in companies that the average person has never heard of, or in companies that seem so boring that no one would buy their stock if you called around and solicited orders. The Hart Schaffner & Marx Gambit is too tedious for most investors or speculators. It takes time, and you must seriously want to make money to stick to it. Most investors would react like this to the suggestion that they give it a try.

BROKER: "Manny, I've got a great cheap stock for you. They're giving it away."

CUSTOMER: "Are you gonna keep me in suspense? What is it, and how much?"

BROKER: "It's Hart Schaffner & Marx, and it's 10¼."

CUSTOMER: Silence.

BROKER: "Are you there, Manny?"

CUSTOMER: "For recommendations on Hart Schaffner & Marx, I have to go to my broker? I could go to my tailor. I like things that are *hot*. Is this high technology? Is this energy?"

BROKER: "If I told you that within two years you could probably sell this stock for better than twice what you paid for it, plus earn an eight-percent dividend in the meantime, what would you say?"

CUSTOMER: "I'd say, How do I know I'm gonna live that long?"

The Hart Schaffner & Marx Gambit works for some investors because most care more about action than they do about capital gains. The average customer would be so annoyed watching Hart Schaffner & Marx trade for months between 10 and 13 that he would call in disgust and say, "I don't care what it's selling for. It's boring. You're boring. Sell it and send me the check."

Hart Schaffner & Marx was an undervalued asset when I bought it, at 10¼, in October of 1979. It was paying eighty-eight cents a share, which was an 8.6 percent dividend—not much in comparison with the inflated returns

John D. Spooner is a senior vice president of Shearson Lehman/American Express. His new book, Sex and Money, will be published in March.



of the past few years, but I believe in getting something while I wait. In any kind of investment, finding and realizing value takes time. Years usually pass before an artist realizes the potential that a patron trusts is there. The marshy land you buy because you think it is a great spot for a shopping center may soak up interest charges for decades before a developer who agrees with you comes along. The trouble with the stock market is that you can see prices *every day*—every hour if you choose. Over a two-year period Hart Schaffner & Marx proved to be a better investment than virtually any painting, any development, any coin, or any antique. But because it was not interesting, because the price could be seen each day, most of my clients cashed in early with a net profit of a point.

Do you really want to make money? On August 12, 1981, I sold Hart Schaffner & Marx at 23. Over the preceding eight weeks the Dow Jones Industrial Average had fallen by more than sixty points. The Hart Schaffner & Marx Gambit is pretty much immune to such disasters. Boring companies have a rhythm all their own. Their stocks don't collapse in bear markets; they seldom rise in bull markets. But over time they will outperform anything else you can do with your money.

Americans love the fad of the moment; we are a nation eager to pay up for status. And no place on earth is more trend-conscious than Wall Street—a shepherd's paradise. If you want to get rich, though, you must concentrate on *value*. The following table illustrates examples of buying value when it is out of favor and ignored. I recommended these stocks in an article in *New York* magazine in February of 1975.

Security	12/74	8/78
Gerber Products	11 $\frac{1}{8}$	30 $\frac{5}{8}$
Hershey Foods	8 $\frac{7}{8}$	22 $\frac{3}{8}$
Papercraft	5 $\frac{3}{4}$	21 $\frac{1}{2}$
Coke of Los Angeles	8 $\frac{1}{2}$	38 $\frac{3}{4}$
General Cinema	6 $\frac{3}{4}$	42 $\frac{3}{4}$
Keyes Fibre	10 $\frac{1}{2}$	27 $\frac{1}{2}$
Triangle Pacific	5 $\frac{1}{4}$	23 $\frac{3}{4}$

It took quite a long time for value to appear—not weeks or months but years. Yet the gain on these stocks beat the rate of inflation through that period, and it beat the average return on real estate, gold, precious metals, and most other things you might have bought with your money. Moreover, these investments were *liquid*: you could have gotten out when you wanted, with your money in your hands within five business days. For as long as you stayed in, you would have been paid dividends averaging better than ten percent, at a time when the prime rate was fluctuating, for the most part, between six and nine percent.

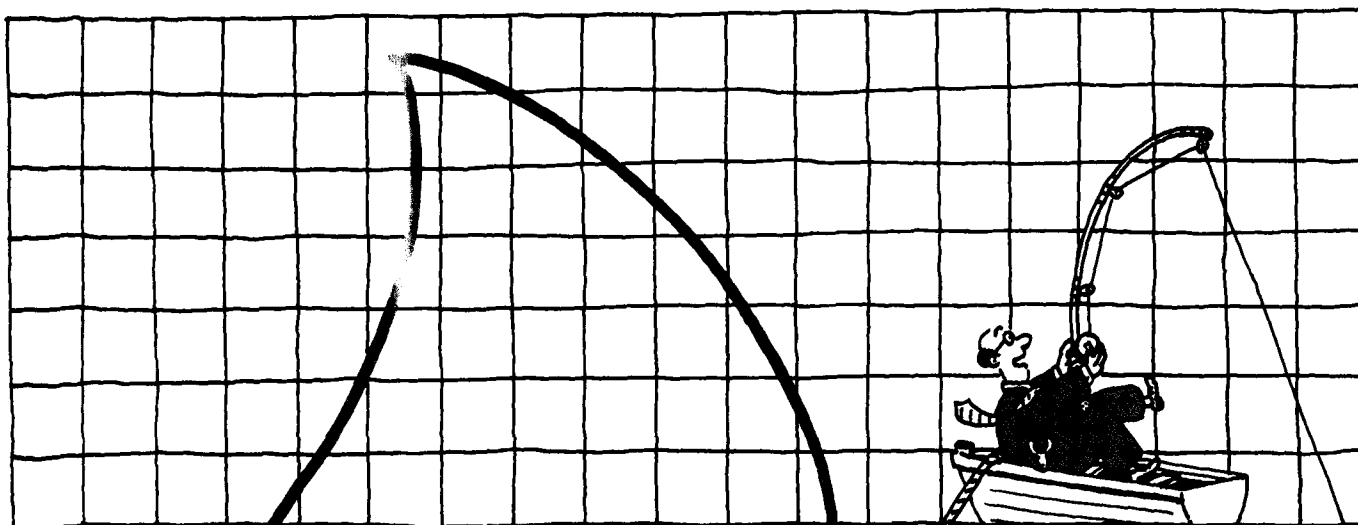
I no longer own these stocks, but the same value exists in American companies today. And finding it is no mystery. The search involves something we all possess: com-

mon sense. Very few of the thousands of investors with whom I have dealt over the years *ever* used their common sense, though it is a more effective tool of analysis than any other. Most investors rely on fear, greed, superstition, tips from barbers, and stories overheard in locker rooms. If they relied on their common sense, they would think harder about the companies behind the stocks they buy.

The essence of the Hart Schaffner & Marx Gambit is to buy shares in companies that have a lot of cash. To find out which ones do, I use Standard & Poor's monthly stock guide. This small booklet contains a thumbnail sketch of just about every public company—its price and earnings history and other rudimentary financial information. (You can get a copy simply by calling an investment firm and asking for one. Have your broker show you *once* how to read it; you'll never forget.) Each year I scan an issue in search of companies that have cash, little or no long-term debt, and assets worth at least two and a half times as much as liabilities. This formula for determining the strength of a company is simple—in some cases maybe too simple. But I have never lost money on a stock that was backed up by a balance sheet strong enough to sustain the company through difficult times and that was selling near the low point in its price history.

In 1977 I became curious about a firm called Commerce Clearing House, which issues business and tax reports—updates on laws that have changed—to be filed in loose-leaf notebooks. The service is sold by subscription, and I had never been in a law firm or an accountant's office where there had not been a library of Commerce Clearing House reports. In 1977 the company's current assets were valued at around \$124 million and its current liabilities at \$23 million. Its debt was a little less than \$.6 million. All this was nothing in comparison with its cash on hand: \$55 million. And the stock was trading at around 13—near the bottom of its recent range. I called a dozen lawyers and asked them what they thought of Commerce Clearing House products. All said they couldn't function without the reports. Then I asked myself one question: Would the tax code and tax legislation get simpler as the years went by? The answer to that was obvious. I jumped all over Commerce Clearing House for myself and for some patient clients.

Buying a stock is easy. The hard part is deciding when to sell. When I buy a stock, I immediately set a goal for it that seems reasonable—that seems to conform to the dictates of common sense. Let's say that I buy a stock at 10. After assessing the company's prospects, I may figure that the stock should return about 40 percent over the next year. If the price moves to 14 within that period, I sell. I never run out of inventory: there's always something to buy. With Commerce Clearing House, I believed that within two years I could more than double the money invested. Sure enough, by 1979 the stock was selling in the high twenties. Today the stock is selling for much more, but I don't own any. Discipline may be boring, but it is the key to capital gains and financial independence. □



II. A HIGH-RISK NUMBERS GAME

BY WILLIAM LANOUEETTE

WITHIN THE PAST TWO YEARS PUBLIC MARKETS HAVE opened for three new types of investments. No shares change hands, and no commodities—silver or soybeans, platinum or pork bellies—are ever bought, sold, or delivered. Instead, these investments revolve around stock indexes, which reflect price changes on the country's stock exchanges. Players in this abstract and high-risk numbers game bet \$100, \$200, or \$500 a point that the stock indexes will rise or fall. Some analysts consider the play in stock-index markets a welcome opportunity. Others consider it a gimmick open to corruption.

The financial weekly *Barron's* has called stock-index investments "pin-striped pork bellies." According to another weekly, *The Economist*, they are "more fun than Las Vegas." Stock-index investments can be used to achieve either of two contradictory goals: limiting risks to contain losses, or exaggerating risks to maximize profits. So far, most stock-index transactions have been speculative—playing the market's swings for quick profits.

A few basic definitions may help to explain the dynamics of these new kinds of investments and to show how the ascending levels of abstraction can magnify both profit and loss.

The *stock index* is familiar to anyone who follows the news. It is an average or composite figure representative of the stock prices of a select group of companies. The index that is cited most widely by the press—the Dow Jones Industrial Average (DJIA)—reflects the stock prices of thirty

large and successful ("blue chip") firms. Dow Jones & Company has blocked in court efforts to create markets based on its index. The indexes for which such markets *have* been permitted include the Standard & Poor's 500 Index, the Value Line Average Stock Index, and the American Stock Exchange Major Market Index. In addition, indexes that reflect the performance of corporate stocks within a single industry—*sub-indexes*—have been created specifically to accommodate index traders. These sub-indexes include the Computer/Technology Index, the Oil & Gas Index, and the Gold/Silver Index.

Futures contracts on stock indexes are negotiated in much the same way that futures contracts on corn or hogs are, and they are traded on the same futures exchanges. But a stock-index future involves no underlying commodity—only a cash settlement. Of course a seller cannot deliver all the shares of all the stocks represented by an index. So instead a buyer and a seller bet on whether an index will rise or fall over a given period (usually one to three months), with the loser to pay \$100, \$200, or \$500 for each point by which his bet is off.

For example, say that the New York Stock Exchange Composite Index, which represents the activity of about 1,500 stocks, stands at 96, and you believe that it is on the rise. Through your broker you arrange to "buy" the index at some point in the next two months at 96. For every buyer there must be a seller—someone who believes that the index is going to fall. In this case the seller believes that it will drop below 96. The value of the contract is \$48,000 (\$500 times 96), and both you and the seller give your brokers as much as ten percent of that amount to hold as earnest money ("the margin") until the contract is settled. If the index moves down one point, to 95, the seller will

William Lanouette, who lives in Washington, D.C., has written about financial markets for a number of publications. His article "Dream Machine," about the breeder reactor, appeared in the April, 1983, Atlantic.

earn \$500 of the money that has been held for you on margin. If the index moves up one point, to 97, you will earn \$500 of the seller's margin.

This scheme is complicated by the fact that each day as the index rises and falls the value of the index, and hence of the contract, changes, and with it the amount of margin that you and the seller must deposit. (For other commodities, the futures exchanges set a limit on the number of points by which each day's trading can fluctuate, but no limits are set for stock indexes.) When the index rises, the seller's account is debited and yours is credited. When the index falls, the reverse is the case.

Options contracts on stock indexes confer the right (but not the obligation) to buy an index for a set price ("the strike price") at any point up until a stipulated deadline. Let's say that you think the New York Stock Exchange Composite Index might rise above 96, but you don't want to commit thousands of dollars to a margin account and you want to limit your loss if you're wrong. You pay the seller a fee ("the premium") in exchange for the option to buy the index at 96 within the next two months. If sometime later

the index rises, you exercise your option and collect \$100 a point from the seller. Your profit is that amount less the premium. If, instead, the index stays below 96, you simply let the option expire, losing only the premium and your broker's commission.

In contrast with the buyer of a futures contract, who is exposed to an unlimited risk, the buyer of an options contract stands to lose only the premium paid when the contract is made. On the other side of such a transaction, the seller of an options contract assumes unlimited risk, because for as long as the contract is outstanding, he must be prepared to honor it. The seller's compensation for that risk is the premium.

Options contracts on futures contracts on stock indexes are the most abstract of all, being four steps removed from the companies themselves. An option on a futures contract gives an investor the right (without the obligation) to buy not the stock index, as in the first two kinds of investments we've examined, but a futures contract on a stock index, again at a stated price within a set time. An option on a futures contract is appealing to a buyer because for the price of the premium he can control a futures contract that may become worth much more. It is appealing to a seller because the premium undercuts his loss if the futures contract on which he offers the option becomes a liability.

With all three of these markets the object for most investors is not to own the underlying securities but to profit from changes in their value. The value of a futures contract is straightforward: a dollar multiple of the index. The value of options and options on futures varies with the premiums; it is around the premiums that trading in those markets revolves.

SNAKE LAKE

My friends, I hope you will not swim here:
this lake isn't named for what it lacks.
This is *not* just another vacant scare.
They're in there—knotted, cruel, and thick

with poison, some of them. Others bite
you just for fun—they love that curve
along the white soft side of your foot,
or your lower calf, or to pierce the nerves

with their needles behind your knees.
Just born, the babies bite you all the same.
They don't care how big you are—*please*
do not swim here. There is no shame

in avoiding what will kill you: cool pleasure
of this water. Do not even dip your toes
in, because they'll hurt you, or worse,
carry you away on their backs—no,

not in homage, but to bite you as you sink.
Do not, my friends, swim here: I like you
living: this is what I believe, what I think.
Do not swim here—lest the many turn to few.

—Thomas Lux

FUTURES AND OPTIONS ON FUTURES ARE TRADED AT futures exchanges. Options on stock indexes are traded at securities exchanges. Officials of these exchanges insist that the new investments are not a form of gambling. According to the 1983 report of the Chicago Board Options Exchange, "Gamblers face fixed odds, the built-in 'house percentage.' But for speculators the odds are always changing since they depend upon each individual's intelligence and timing, perception and nerve."

If stock-index investments *aren't* gambling, then why is an English bookmaker, Ladbroke's, complaining that it has lost business to them? David Brownstone, the director of Ladbroke's, told a reporter from *The New York Times* in September, "We don't get many calls anymore from American portfolio managers and ordinary traders who laid off their positions by betting on our Dow Jones index." In a bid to recapture its clients Ladbroke's has arranged for Chase Manhattan Bank to act as its clearinghouse for bet settlement. Under this scheme customers can deposit money in any Chase bank worldwide and have the results of their bets debited or credited every Monday.

It is rare for an ordinary stock to become worthless in a few minutes and just as rare for its value to double in that

short a period. But in stock-index trading such price changes are common, because all index investments expire within three months. Of course, brokers are quick to tell prospective customers about the profits that are possible. They are required by the Commodity Futures Trading Commission, or CFTC (the federal agency that regulates stock-index futures and options on futures), and by the Securities and Exchange Commission, or SEC (the agency that regulates the stock-index options market), to explain also that there are severe risks.

One CFTC risk-disclosure statement cautions: "The high degree of leverage that is often obtainable in futures trading because of the small margin requirements can work against you as well as for you. The use of leverage can lead to large losses as well as gains."

The agency warns that "you may sustain a total loss of the initial margin funds and any additional funds that you deposit with your broker. . . . If the market moves against your position, you may be called upon by your broker to deposit a substantial amount of additional margin funds, on short notice, in order to maintain your position. . . . Under certain market conditions, you may find it difficult or impossible to liquidate a position. . . . Placing contingent orders . . . will not necessarily limit your losses to the intended amounts, since market conditions may make it impossible to execute such orders."

According to one official at the Chicago Mercantile Exchange, "The amount you put up has to be risk capital. You have to be willing to lose it, and sometimes a lot more besides."

These kinds of warnings may deter some investors, but they seem to attract others. In 1983 the Federal Reserve Board, in a report to bank trust departments, warned that it is "difficult to envision a prudent [investment] strategy that would involve purchasing stock futures." And yet for some professional traders and managers of large stock portfolios, the index markets have provided new flexibility in hedging stocks against moves by the market as a whole. In fact, this use is the main reason that federal regulators have allowed the markets to proliferate.

One prominent hedger often cited by exchange officials is Harvard University, whose endowment is the largest of any school's in the country. Investors for the Harvard Management Corporation, which controls the school's stocks, often resort to arbitrage techniques in an attempt to profit from price differences between the Standard & Poor's 500 Index futures contract, which is traded at the Chicago Mercantile Exchange, and the Value Line Average Stock Index futures contract, which is traded at the Kansas City Board of Trade. Other users of the markets, seeking both to minimize risks and to maximize profits, are the pension funds of the Westinghouse Electric Corporation and the Exxon Corporation.

Even disciplined professional traders can cross the line between hedging and speculating without quite meaning to. "In every marketplace hedgers and arbitrageurs become speculators when things are going good," says Tony

Dowd, a professional stock-index futures trader on the New York Futures Exchange. "They move from relatively risk-free positions into great danger, and when they can't move back they get wiped out."

THE STOCK MARKET'S SHIFTS ARE PART OF OUR NATIONAL psyche—a way we express our hunches, and fears, about the future. Gauging that expression is straightforward: for a century the stock market's behavior has been tracked by indexes. For many Americans the answer to the question "How's the market [and with it the nation's economy and mood] doing?" lies in the number of points by which "the Dow" has risen or fallen.

Investors could follow these stocks indexes but they couldn't profit from them directly (except at Ladbroke's) until two important changes occurred. In 1974 Congress allowed "intangible" items, such as interest rates, to be considered commodities for the purpose of trading. Then the CFTC permitted trading in commodities that cannot be delivered easily—or at all. The commission ruled that commodities contracts can be fulfilled with cash instead of physical delivery. With this decision the CFTC pre-empted laws on the books of nearly half the states that prohibited such cash settlements on the grounds that they were proceeds from gambling.

In 1978 the CFTC held public hearings on a proposal by the Kansas City Board of Trade to offer stock-index futures, but the SEC claimed jurisdiction, because the underlying commodity—the stock market—was under its control. Finally, in December of 1981, the heads of the two agencies agreed to split jurisdiction over the new markets.

In February of 1982 the Kansas City Board of Trade offered the first futures contracts on a stock index. Since then the CFTC and the SEC have let the field grow to include twenty-one stock-index investments (futures, options, and options on futures) on nine public exchanges. Six more investments have been approved but are not yet being traded, and another four are being considered.

So far, the stock-index markets have been dominated by professionals, who are in a position to keep up with the rapid shifts. This may not be the case much longer, however. The exchanges invested millions to create the new markets; now they are engaged in a fierce competition for customers. And they are after not just the people who invest in commodities but a much larger group: the 42 million people who invest in stocks.

Although brokers are attending cram courses given by their firms and "road shows" staged by the exchanges, they are finding the welter of new stock-index products confusing, and they have asked the exchanges to stop proposing (and the regulators to stop approving) new ones. The proliferation of indexes makes for confusion in the trading pits as well. Many traders complain that they are not always able to acknowledge or respond to bids because of the din and crowds. No one can say how much money investors might be losing as a result.

SKEPTICAL OF THE WHOLE SITUATION, CONGRESS LAST year ordered three federal agencies—the CFTC, the SEC, and the Federal Reserve Board—to study stock-index markets as a condition for its authorization of the CFTC's budget. Congress wants to know whether or not the new markets divert capital from productive uses, whether or not they provide adequate protection for consumers, and whether or not they are vulnerable to price manipulation. The report is due at the end of this month.

So far, no one has proved the charge that stock-index trading diverts capital from American businesses, and until someone does, the arguments over that question are likely to remain more philosophical than practical. The president of the New York Futures Exchange, Lewis Horowitz, claims that stock-index trading may actually improve capital formation by making stocks more appealing when the economy is uncertain. Without the ability to hedge, he says, investors wouldn't buy stocks at all.

James Balog, a senior executive vice president of the brokerage house Drexel Burnham Lambert, in New York, disagrees. "Financial instruments that travel further away from the center of the capitalist marketplace seem to lose some of their economic purpose," he wrote in the August, 1983, issue of the magazine *Financier*. "That weakens the financial system and starves the industrial sectors."

Indeed, when such popular sub-indexes as oil and gas, transportation, and computers are trading briskly, they can easily become surrogates for one or two of the stocks themselves. Put simply, if a computer sub-index is strongly affected by the price of IBM and can be bought for much less money than actual stock in IBM, then why buy the stock?

James Stone, a former chairman of the CFTC, fears that stock-index trading may slow the economic recovery. "I am concerned, as an observer of the macro-economy, that the United States has too much of its resources in highly liquid instruments [readily convertible into cash] and not enough in long-term investment for the future," he says. "We don't want to be an economy of short-term thinkers."

As for consumer protection, Robert K. Wilmouth, the president of the National Futures Association, an organization for traders, acknowledges that ordinary investors face risks in the stock-index markets. "The problem for investors," he says, "is that this is such a tough game to play. You are competing with knowledgeable floor traders who make a living out of following the marketplace, and unless you have the time and the energy and the money to pay a lot of close attention to it, the chances are that you're going to lose. The preponderance of people, and you hear figures all the way up to ninety percent, lose when they purely speculate in the futures market."

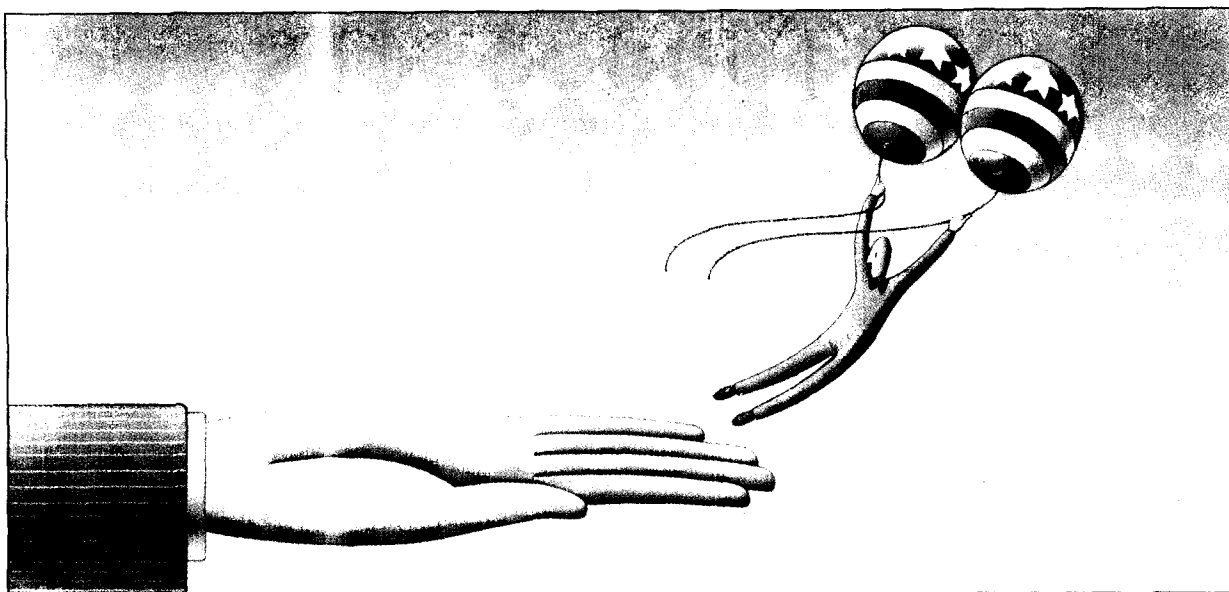
Until last spring it seemed unlikely that the stocks on any index could be bought and sold in increments large enough to alter the index significantly. But on April 19 (a

slow day, just before Easter) a series of stock purchases on the New York Stock Exchange (NYSE) caused the S&P 100 Index to climb by more than a point; as a result the price of an option on the Chicago Board Options Exchange, which was due to expire that same day, rose from \$6.25 to \$78. Many floor traders, who had assumed that the option would expire worthless, had already sold it at a loss. Some complained later that they had missed out on earnings as high as \$200,000. The Options Exchange released the results of a "limited" investigation this fall and said that nothing appeared to be amiss. According to the exchange's report, although the option's price rise seemed to be the result of intermarket trading by just five parties (three brokerage firms trading for their own accounts and two institutions with large portfolios), it could be accounted for by "identifiable market forces that regularly influence the stock and options marketplaces." At this writing, more-thorough investigations by the Options Exchange and the NYSE, both acting for the SEC, are under way. Price manipulation of stock-index markets is hard to prove, because involvement in several different markets at once is routine for many traders.

Another concern of regulators is that the stock-index markets invite insider trading. The SEC forbids executives to buy or sell stock when they might profit from inside information, and it requires them to report their trades publicly. But according to Timothy Wirth, a Democratic representative from Colorado and the chairman of the House subcommittee that has jurisdiction over the SEC, executives may be getting around the SEC's rules by buying options on sub-indexes, which reflect the prices of as few as seven stocks in an industry. At congressional hearings last spring the SEC's chairman, John S. R. Shad, agreed with Wirth that sub-indexes could be used by insiders but said he hoped that in time the surveillance systems would be nimble enough to detect such action. Shad conceded that any insider intent on using stock-index investments to profit from his knowledge might prefer index futures to index options: there are no rules against insider trading on the futures exchanges. (This fall the CFTC announced plans to propose some rules.)

The inner circle of American business is far from united in its evaluation of indexes as a way to make money. Last year a congressional committee polled the chief executive officers of the Fortune 500 companies to find out how they felt about stock-index trading. There was no consensus. About 30 percent said that such trading is "useful"; 30 percent said that it is "potentially helpful"; 30 percent said that it is "potentially harmful"; and 10 percent said that it is "outright gambling."

"I can give you lots of gibberish that tells you it's not, but [stock-index speculation] is a zero-sum game," Robert Wilmouth says. "When somebody wins, somebody else has to lose." □



ENERGY INDEPENDENCE

Can homegrown energy free us from foreign dependence?

America still consumes a lot of energy from other countries. Greater use of nuclear energy and coal, which are domestic sources of our electricity, reduces this risky dependence.

Last year, we paid \$56 billion to foreign suppliers for oil and natural gas. That's almost as much as 1983's record U.S. trade deficit.

The trouble with foreign energy supplies

America doesn't have much control over the future price or availability of energy from other countries.

For now, the price of oil (and of other energy sources as well) has stabilized. But no one knows how long this price stability will last. No one knows whether Persian Gulf oil will suddenly be cut off from the free world, which still depends heavily on it.

Such a cutoff could *double* the price of oil.

Nuclear energy and coal are plentiful and homegrown

The U.S. has more coal than any other country in the world. Enough to last us hundreds of years.

And according to a recent international survey, the U.S. has over 400,000 tons of "reasonably assured" uranium reserves for

nuclear fuel—again, more than any other country. We have enough uranium to fuel all of America's nuclear plants—and many more—for their entire operating lives.

Nuclear energy replaces oil

Without the 85 plants now operating, most of their electricity would come

instead from more power plants burning coal, natural gas, and oil.

Nuclear-generated electricity has already saved this country roughly 2 *billion* barrels of oil. Completing the nuclear plants now under construction will help save billions more by the turn of the century.

Also, electricity from coal and nuclear plants is being used instead of oil for such things as home heating, manufacturing, and materials production.

Uranium and coal: secure fuels with a future

Now generating two-thirds of our electricity, coal and nuclear energy have eased America's dependence on foreign oil.

Safe, efficient use of these abundant homegrown resources will continue to strengthen U.S. energy security.

Free booklet tells more

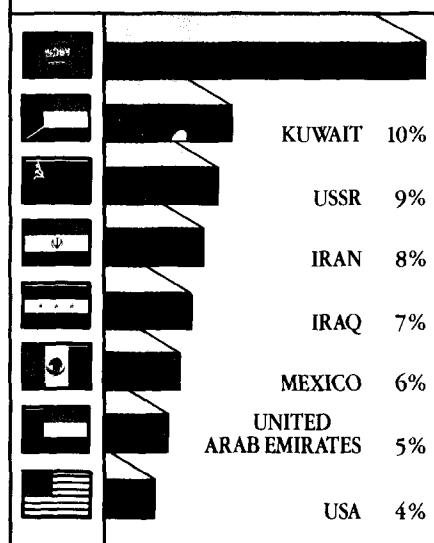
For a free booklet on the electrical future of America, write the U.S. Committee for Energy Awareness, P.O. Box 37012 (F4), Washington, D.C. 20013. Please allow 6-8 weeks for delivery.

Information about energy America can count on

U.S. COMMITTEE FOR ENERGY AWARENESS

WHO HAS THE OIL?

(Percentage of world's proved crude oil reserves)



America ranks eighth in proved oil reserves. Our reserves have been declining for years, despite a big increase in exploratory drilling. Source: Energy Information Administration/ U.S. Dept. of Energy; Petroleum Information International.

"AT&T PRESENTS CARNEGIE HALL TONIGHT"



Juilliard String Quartet

This week and every week you can enjoy the excellence of Carnegie Hall on your radio.

In "AT&T Presents Carnegie Hall Tonight," some of the greatest soloists, ensembles, and orchestras of our time perform for you. Hosted by actor and composer John Rubinstein, this program hour also includes feature interviews, so you actually hear more than you would at a live performance.

This series is part of AT&T's continuing commitment to bring you great art and great artists.



© AT&T 1984 Check local listings for the time and station in your area.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

MUSIC

THE PASSION OF STEPHEN SONDHEIM

BY STEPHEN HOLDEN

IN 1970, THE YEAR that Stephen Sondheim's *Company* opened on Broadway, almost everyone assumed that the future of American popular music lay in records, not shows. The singer-songwriter was what was happening in pop. Inspired by the Beat-symbolist verses of Bob Dylan and the Beatles' psychedelic art-rock, performers like James Taylor, Joni Mitchell, Laura Nyro, Leonard Cohen, Carole King, Paul Simon, Neil Young, Randy Newman, Jimmy Webb, Don McLean, and Jackson Browne—most of them ten to twenty years Sondheim's junior—reflected on the counter-cultural experience in confessional song cycles produced directly for records.

Personal and communal transcendence and the breaking down of social, political, and sexual barriers were the agenda of the day, and Sondheim, who had turned forty that year, seemed like an old fogey. At a time when many talked of forsaking materialistic goals and getting back to the land, *Company*, with its upper-crust Manhattan milieu, appeared to be as irrelevant as Broadway itself. *Company*'s cynical, alcoholic "Ladies Who Lunch" represented exactly what Don McLean scorned as "the cocktail generation" in the song "Castles in the Air." Paul Simon, in "The Dangling Conversation," had already summed up the prevalent attitude toward Broadway with his rhetorical question "Is the theater really dead?" Sondheim, who had been personally tutored in the musical by Oscar Hammerstein II and had served a distinguished apprenticeship as a lyricist for Leonard Bernstein (*West Side Story*), Jule Styne (*Gypsy*), and Richard Rodgers (*Do I Hear a Waltz?*), represented Broadway's brightest hope.

Musically, as well as in his urbane subject matter, Sondheim seemed to belong to the past. His style, an ultra-polished composite of Gilbert & Sullivan, Jerome Kern, Cole Porter, Leonard Bernstein, Samuel Barber, and the French impressionist composers, paid

almost no heed to the Afro-American revolution in American pop or to any kind of roots music. Then as now, Sondheim composed salon music that revels in an Old World sophistication, with hardly a trace of the jazz that excited Gershwin, Weill, and Bernstein. Even his feistier songs require of singers a brittle and precise elocution.

One of the ironies of Sondheim's career is that in 1984 the work of this premature "old fogey," who is now fifty-four, seems far more relevant than it did in 1970. With his reflective classicism and passion for detail, Sondheim fits into the highbrow school of contemplative pop that includes such diverse musicians as Philip Glass, Laurie Anderson, and David Byrne, of the Talking Heads. His music seems to matter more than that of most of the singer-songwriters who have tried and failed to establish a new vernacular art song.

Almost single-handedly Sondheim has continued to inject life into the moribund Broadway musical, honoring its spirit while scrutinizing its values. And in doing so, he has amassed an extraordinary catalogue of semi-classical art songs whose refined lyricism is matched by cultivated wordplay and an acute moral sensibility. Many people have only just

begun to discover his work, thanks to frequent productions of the revue *Side by Side by Sondheim*, the trunk-song show *Marry Me a Little*, and the recordings of these and other tributes to the composer. Another irony is that in the schmaltz-meets-glitz world of Broadway (42nd Street, *La Cage aux folles*) Sondheim, with his conceptual musicals, is considered an artistic and intellectual radical, whereas in the broader pop spectrum he is an arch-conservative, with little interest in the burgeoning "world music" movement.

The episodic structure of *Company* marked Sondheim's permanent rejection of the integrated book musical that Rodgers and Hammerstein had perfected. In those musicals couples fell in love on enchanted evenings. Men were strong and women weak, and often after a masculine initiation (the French planter in *South Pacific* joins the American fight against the Japs) the guy and the gal got to go off into the sunset. In Rodgers and Hammerstein musicals people climbed mountains to find dreams, heard the sound of music all around, and never walked alone, even during storms.

Company offered no sugar-coated bromides. The show ended as Robert, its thirty-five-year-old bachelor protagonist, squirmed in isolation and fear. He was desperate for a relationship but, having witnessed his friends' marital woes, terrified of the messiness of commitment. For *Follies* (1971), the ultimate "nostalgia" musical, Sondheim wrote brilliant parody-tributes to veteran Broadway craftsmen. But the show's downbeat story about two unhappy show-business-related marriages stood



Stephen Holden writes frequently about music and theater.

as a warning against trying to live in the past. *A Little Night Music* (1973), Sondheim's operetta, based on the Ingmar Bergman film *Smiles of a Summer Night*, examined love and its dissatisfactions in turn-of-the-century Sweden—with the emphasis on the dissatisfactions. For the Kabuki musical *Pacific Overtures*, Sondheim adopted a hybrid East-West musical style to examine the Westernization of Japan from a point of view that took a historically neutral and morally equivocal stand on the value of progress. *Sweeney Todd*, Sondheim's bleak “musical thriller,” illustrated with Grand Guignol gore how vengeance begets vengeance. *Merrily We Roll Along* described the toll that professional ambition can take on friendship and personal idealism.

This year Sondheim's creativity reached a kind of still point with *Sunday in the Park with George*, a meditation on art itself. Breaking with his longtime collaborator-director Harold Prince, whose staging of his musicals had grown pretentiously gimmicky, Sondheim teamed with the young playwright and visual artist James Lapine to mount a music-theater collage inspired by Georges Seurat's neo-Impressionistic masterpiece, *A Sunday Afternoon on the Island of La Grande Jatte*. *Sunday in the Park with George* subsumes characters and narrative to an ongoing artistic debate that blends music, painting, a laser light show, and satire of the contemporary art world. Sondheim's score, shimmeringly captured on the RCA cast album of the show, is itself neo-Impressionistic, suggesting the transparency of Ravel blended with the stabbing orchestral style of French-period Stravinsky and the minimalist pulse music of Steve Reich.

EACH ONE OF these projects has proposed a different “new beginning” for an American musical theater mired in complacency and hollow spectacle. Instead of holding out false promises of better days and happy endings, Sondheim offers the more ambiguous pleasures of balanced perception and observation. The commercial and critical price Sondheim has paid for not catering to conventional sentiment has been high. Only the very first Broadway show for which he wrote both music and lyrics—the relatively conventional burlesque musical *A Funny Thing Happened on the Way to the Forum*—has been a substantial hit.

While praising Sondheim's brilliance,

theater critics have routinely complained that his work is cold and decadent and called his music tuneless. “When melody is absolutely required . . . Sondheim just spins series of notes, which could just as easily be other notes,” Stanley Kauffmann wrote in *The New Republic* of the score for *Sweeney Todd*. “In the past he has sometimes found one tune for a show—like ‘Send In the Clowns,’ for *A Little Night Music*. Here there is none.” Theater critics, alas, often don't hear music as easily as they do dialogue. By my count, *Sweeney Todd* has four memorable ballads—“Not While I'm Around,” “Pretty Women,” “Johanna,” and “Green Finch and Linnet Bird”—and *A Little Night Music* is as melodic as Sigmund Romberg, with soaring waltzes that evoke Brahms, Johann Strauss, and Ravel, among others. What many critics are really complaining about is Sondheim's scrupulous avoidance of melodic clichés.

John Lahr, writing in *Harper's* at the time of *Sweeney Todd*, accused Sondheim of “mythologiz[ing] desolation.” “The lack of heart in Sondheim's music has been his real nemesis,” he concluded. “He hides his deepest feelings behind style, which keeps both his music and his musicals from as yet reaching their fullness. . . . Sondheim's cold elegance matches the spiritual pall that has settled over American life.” But Lahr's idea of the American musical theater seemed fixed in another era. Unwittingly condescending to both the audience and the form, he wrote approvingly of American musicals, “They cajole the audience that if you don't have a dream, how you gonna have a dream come true?”

In *Sunday in the Park with George*, and to an extent in the commercially unsuccessful *Merrily We Roll Along*, Sondheim responded to such criticism. *Merrily* dealt directly and emotionally with the issue of holding on to one's ideals. Telling its success story backward, the score regressed stylistically from brassy sophistication to a kernel of idealism, expressed in a simple chorale, “The Hills of Tomorrow,” that might have been written by Rodgers and Hammerstein. In *Sunday in the Park*, Seurat, the driven artist, becomes an obvious Sondheim alter ego who endures his peers' contempt. In the song “No Life,” nineteenth-century-art-world trendies hurl the same criticisms at Seurat that have been hurled at Sondheim. “All mind, no heart. No life in his art. No life in his life. . . .”

Seurat, originally played by Mandy Patinkin, is obsessed with preserving in art the essences of everything he sees. Painting dogs, he momentarily becomes a dog, yapping and sniffing the grass. The songs embody a series of conflicts between art and life, aestheticism and commerce, truth and sentiment. *Sunday's* masterpiece, “Finishing the Hat,” distills the state of mind that drives an artist to remove himself from the world in order to capture it completely in his work: “How you have to finish the hat./ How you watch the rest of the world/ From a window. . . .”

The show's second act finds Seurat's great-grandson, a laser artist making his way through the treacherous currents of the gallery world, losing his inspiration as he becomes caught up in money-grubbing art politics. Making a pilgrimage to the island of La Grande Jatte, the young artist is rejuvenated after he communes mystically with his great-grandfather's mistress, who advises him simply to “move on.”

IN THE COURSE of moving on, from burlesque show to modernist urban musical, from operetta to the mixed-media *Sunday*, Stephen Sondheim has composed a body of song literature that is unmatched by that of any other theater composer in its intellectual rigor and richness of artistic detail. Sondheim's songs constitute a colorful and diverse portrait gallery of articulate, emotional people who speak in dramatic monologues that evoke whole lives. As the recorded collections of Sondheim's songs have demonstrated, these portraits stand by themselves outside their original contexts.

The vitality and independence of so many different voices suggest that writing for characters, far from being limiting, is the only way a songwriter can hope to create a world outside his own feelings. It is a lesson that soft-rock songwriters looking for direction might take to heart. Wanting to express unvarnished truth, they rarely consider interpreting their experience through another character. But as we get older, the intensity of our experiences shrinks even as the field of our perception widens. The soft-rock singer-songwriters of the 1970s used up their personal experiences as quickly as they lived them. At the same time, they outgrew the youth-centered mass record market, which is interested only in pop stars under thirty-five. Because Sondheim projects his

perceptions of the world onto characters of all ages, he isn't limited by age and experience. In contrast to the idiomatic, slangy diction of singer-songwriters who adopted a "hip" rock-and-roll argot, Sondheim's clear lyric diction, with brilliant rhymes and turns of phrase that equal the best of Cole Porter, is as time-resistant as a lyric style can be.

Sondheim's songs and shows have not simply peeled away the sentimentality of Broadway but have tried to delineate some enduring artistic and moral truths. Into a militantly cheerful musical tradition he frequently introduces a whiff of death—not the weepy, sentimentalized tragedy of disease-of-the-week TV movies but a sense of the finiteness of life. Sondheim likes to remind us (and, one imagines, himself) that we are not immortal and that life is a matter not of finding a dream at the end of a rainbow or living happily ever after but of doing the best with the time we've got. Even as early a song as the gorgeous "With So Little to Be Sure Of," from the 1964 musical *Anyone Can Whistle*, was suffused with a mood of fatality. And songs like "Being Alive," from *Company*, "Every Day a Little Death," from *A Little Night Music*, "Not a Day Goes By," from *Merrily*, and "Beautiful," from *Sunday*, express an aching, slightly scary sense of the brevity and precariousness of existence.

Sondheim believes that life is too valuable to be sentimentalized or falsified. That is why the lives inside the frames of his portraits quiver so—not from any chill but from the composer's sense of their preciousness. What critics perceive as a failure of heart is really his refusal to narrow his line of sight to what's easy and pleasant. Yes, Stephen Sondheim is a cerebral artist with a formidable intellect, and he does see with a cold, discerning eye. But there is passion in his intellect, there is passion in his seeing, and there is passion in his need to share with us—through his art—his vision of a world that is on the verge of disappearing. "All things are beautiful," the painter Seurat gently reminds his mother when she laments the mutation of the familiar, the passing of the "old view," in the duet "Beautiful." "All trees, all towers [are] beautiful," the painter says consolingly. "Pretty isn't beautiful, Mother, / Pretty is what changes. / What the eye arranges / Is what is beautiful." For Broadway's consummate aesthete, beauty and truth, no matter how disturbing, are the same thing. □

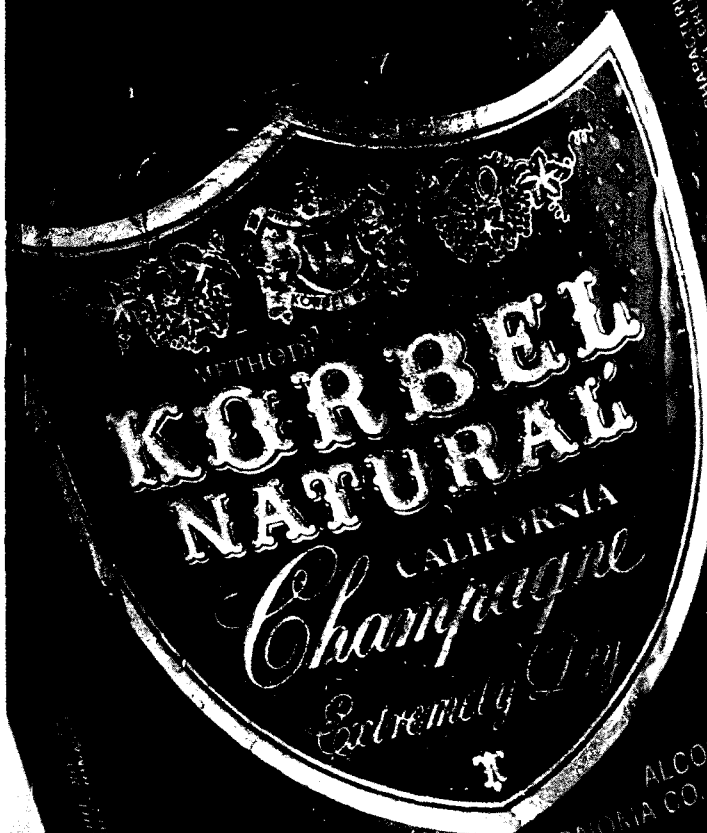
Korbel Natural is a light, dry champagne produced from champagne grapes. This delicate cuvée produces a complex champagne with flawless balance and a satin finish.

Korbel Natural, like all Korbel Champagnes, has been naturally fermented in the very bottle you buy.

This costly, old world method of champagne making is called *methode champenoise*. It is the way all truly fine, world class champagnes are created.

Also enjoy our two exquisite varieties, Korbel Blanc de Blancs and Korbel Blanc de Noirs. Uncork the Magic!

Korbel
Champagne
since
1882.



PRODUCED AND BOTTLED BY
KORBEL and BROS. Inc., GUERNEVILLE, SONOMA CO., CALIFORNIA

OUR GREATEST INVISIBLE ACTOR

BY LLOYD ROSE

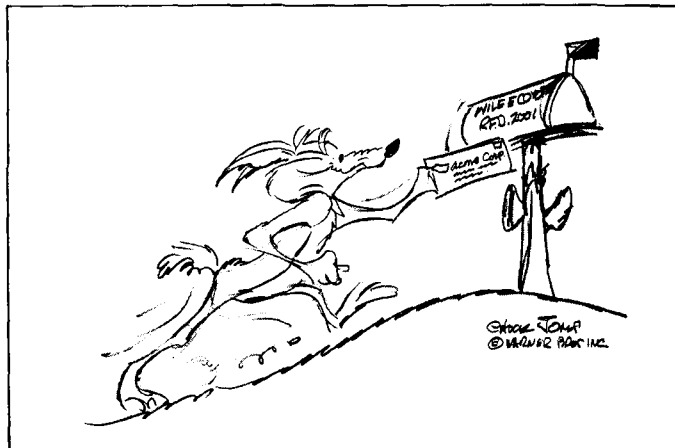
It's true that Jones's cartoons are violent, but his characters never bleed, never die, and are never permanently injured; they have an India-rubber resilience, the immortality of handballs. They also have wit, style, and humor. And it's getting harder and harder to see them. The newly packaged *The Bugs Bunny Road Runner Show*, seen on Saturday morning, is (unlike its predecessor of the same name, which featured Jones's cartoons) filled mostly with the second-rate cartoons made at Warners by inferior directors in the early sixties, during Jones's final years there. (Now seventy-two, Jones has for the past twenty years produced his own television specials—the most famous of which

is *How the Grinch Stole Christmas*.) Occasionally one of his cartoons flashes across the Saturday-morning TV screen. In such shabby surroundings the vitality and beauty of his work stands out even more boldly than usual.

Bugs, Daffy, the Coyote, and the romantic French skunk Pepé le Pew are not characters that Jones puts into cartoons as a novelist might put them into a story—they're characters he *plays*. They all share certain characteristics: high energy, expressive eyes, exquisite comic timing, and the ability to surprise us. We recognize these characteristics in all of them as we recognize the physical presence of an actor in various roles. To give them individuality, Jones brings to each an element of his own personality. The Coyote represents his inability to deal with certain things in the physical world, particularly tools. Pepé le Pew is his dream vision of himself as irresistible to

BUGS WAS DESIGNED by Charles Thorson at the request of the animator Ben “Bugs” Hardaway (and labeled “Bugs’ bunny”), and his personality as a Brooklyn wisecracking cockily demanding “What’s up, Doc?” was the creation of Tex Avery (who also invented the wild, nonrealistic Warner Brothers animation style). Jones, though, directed more than half of the Bugs cartoons made, and has said that Bugs “was something more personal and special to me . . . than any other character I directed.”

Jones's Bugs is easily distinguishable from that of any other director. His movements give the sense that he has real mass and inertia, that he weighs something, and Jones has frankly borrowed for him gestures from the great silent comedians (Keaton's eye movements, Chaplin's one-legged hopping turn). His Bugs also has sophistication—he is less the loudmouthed wise guy, more the gentleman anarchist. (In spite of the mad pace of his cartoons, Jones is never frenzied—his characters all possess a certain amount of dignity. This is why his work at MGM, where he went after Warner Brothers shut down its animation studio, isn't successful. The crudely violent format of the Tom and Jerry cartoons he was given to direct is at



INTRODUCING THE ULTIMATE VCR: THE END OF AN INCREDIBLE JOURNEY.

Video cassette recorders have come quite a distance, finally culminating in this marvel—the Ultimate VCR. Why ultimate? Because it's the first and only 7-head machine that's remote-programmable, convertible and features VHS Hi-Fi.

REMOTE PROGRAMMABILITY.

The Ultimate VCR actually asks what you want to record and when—in simple language—right on the screen of your TV. You respond by pushing the appropriate button on the wireless remote hand unit.

CONVERTIBILITY.

The Ultimate VCR is instantly portable, with a unique, cable-free docking system that operates as simply as "push" or "pull". At home, it's a fully featured table model. And, you can take your show on the road for great home movies by simply adding an RCA Video Camera.

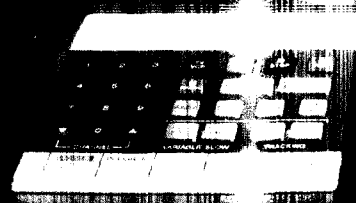
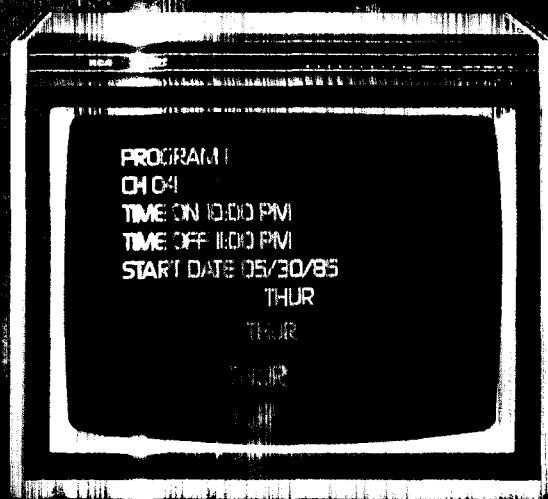
VHS HI-FI SOUND.

The Ultimate VCR's stereo system surpasses even the most sophisticated audiophile recording decks. Pure sound—from subtle nuances all the way to explosive waves of excitement you never dreamed possible in a VCR.

If you've been waiting for the Ultimate VCR, wait no longer. Now's the time to beat a path to your RCA dealer's door. And, while you're there, ask to see RCA's full line of high-quality video tape. For more information and a free copy of our "Living With Video" book (a \$2.50 retail value), write: RCA Consumer Electronics, Dept. 32-312EE, P.O. Box 7036, Indianapolis, IN 46207-7036.

RCA

TECHNOLOGY THAT EXCITES THE SENSES.



RCA

Model VKP950

odds with his comic sense and style. His Tom and Jerry seem not to belong to the world established by the series; they're too sweet-natured.)

Jones always liked to start with Bugs in a setting natural to a rabbit (unlike, say, the Friz Freleng cartoon in which he is introduced tap-dancing down the street singing "She's the daughter of Rosie O'Grady"). Having limited himself with this rule, Jones developed a comic way of both sticking to and circumventing it: when he wanted Bugs in an exotic locale (Scotland, maybe, or the Himalayas), he just had him pop suddenly out of the ground, expecting to have burrowed to somewhere else. Bugs's grace under pressure is literal—he floats, dashes, and, in one lyrical moment in "Bully for Bugs," dances away from his persecutors. Bugs can rise to any occasion. In "What's Opera, Doc?"—arguably Jones's finest cartoon—he dons a blonde wig and a brass brassiere to sing a Wagnerian duet with Elmer Fudd (who has previously regaled us with "Kill the Wabbit!" to the melody of "The Ride of the Valkyries"). Bugs dances in this one too, as does Elmer. They do a little ballet together, while an ample white horse, supplying the fleshy operatic presence that the more slender protagonists lack, minces like a prima donna in the background.

Bugs does not need sound to realize much of the comedy of this—it's there in his expressions and gestures. But he does speak, of course, and the parody of "What's Opera, Doc?" would be lost without the music. Jones and Maltese actually wrote pretty funny dialogue (Pepé le Pew's amorous murmurings—"Ah, la belle femme skunk fatale!"—are particularly good), but the cartoons, despite the bravura vocal performance of Mel Blanc as most of the characters, don't depend on it. Jones used to run his

cartoons without the soundtrack just to be sure everything was clear even without the words. But he didn't take the final step into silent comedy until the Road Runner cartoons, in which the only spoken sound is "Beep! Beep!"

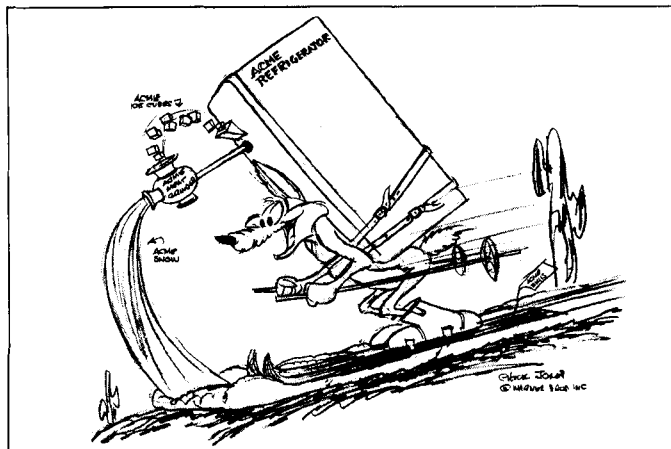
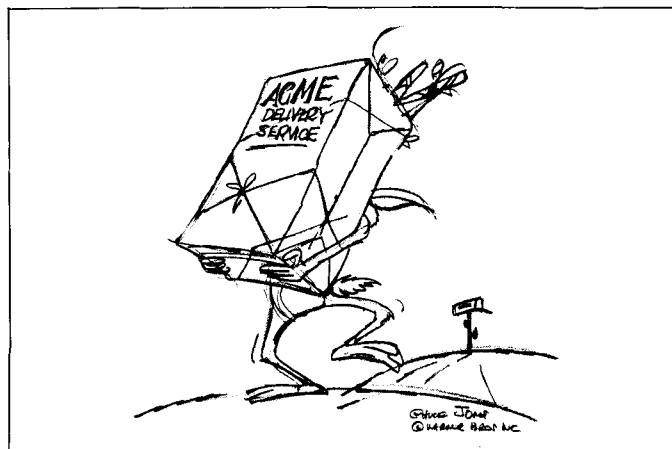
Jones and Maltese created the Road Runner in 1949, and Jones went on to make twenty-four Road Runner cartoons. They're minimalist in an amusingly practical way—Jones provided for the setting only what the story needed. This is basically a desert, with a highway for the Road Runner to run down. There are also, as needed, train tracks for the Coyote to get run over on, train tunnels for the Coyote to get run over in, and cliffs for the Coyote to fall off. And there is the occasional mailbox, so that the Coyote may write to the Acme Company and order devices with which to trap the Road Runner. (It hardly seems necessary to add that these devices not only always fail to catch the bird but invariably backfire in the Coyote's face.)

After the first few cartoons Jones didn't even bother to have the Coyote pursue the Road Runner from hunger. He just chases him, without reason or possibility of success. The bleak undertone of his predicament combined with the stripped-down environment gives the cartoons a modernist feel—sort of banana-peel Beckett. But essentially they're gag pictures: their comedy is mainly in the setup, the buildup, and the payoff of the physical joke, as well as the overall shape of the action. The Coyote runs a taut wire from the top of a cliff down to the road along which the Road Runner will pass. He dons a helmet with a tiny wheel on top of it. He headstands onto the wire. He quivers from side to side, searching desperately for balance, just missing it; we expect he will fall any second. He finds his balance. He settles

into upside-down equilibrium. He is perfectly poised. The wire snaps. At moments like this, Jones stands with Keaton and Chaplin.

Jones achieved his comedy through the design and manipulation of drawings that move past the viewer at twenty-four frames a second. His timing was a matter of knowing how many twenty-fourths of a second to hold a pause or track a fall. As a director Jones didn't draw anywhere near the 8,000-plus pictures necessary for a six-minute cartoon. He did two or three hundred drawings, the beginnings, ends, and high points that shaped and defined each physical action. The rest of the work was done by Jones's animators (for most of his career they were Lloyd Vaughan, Ben Washam, Ken Harris, Phil Monroe, Dick Thompson, and Abe Levitow), who filled in and gave their own touches to the character's movements. These animators in turn had in-betweeners to do those last cells that account for the minuscule movements an arm or tail might make in three or four frames.

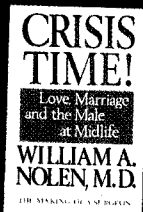
Disney, whose sentimental and hyperrealistic style the Warner Brothers cartoonists rejected, was nonetheless the father of their art: expression of character through movement. Jones (who worked for Disney very briefly, on *Sleeping Beauty*) considers *The Three Little Pigs* to be the breakthrough film. The pigs all look alike but are distinguishable by their postures and expressions. Jones calls this "character animation," and has said it is "unique to America, like jazz," laying claim to it as one of our few native art forms. The Warners cartoons, like those of Disney, were made to be shown in movie theaters to adult audiences. Those audiences wept at *Snow White* in 1938, and an adult today watching a Jones cartoon from the fifties may laugh till tears are in his eyes. □



Discover



a



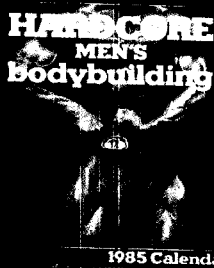
b



c



d



1985 Calendar



g



h



...the newest in fiction and personal insight —
...an elegant tale of murder, suspense and
...ance. b) A helpful insight into the prob-
...of the male mid-life crisis. c) A moving
...ment of faith in the Middle East.
...o Buscaglia's newest and most
...ound book to date.

*The latest in calendars and games — e) A
calendar filled with thrilling photos of beauti-
ful bodies. f) A wall calendar of vintage trains
pictured throughout scenic America. g) An
exciting new trivia game based on the
hit TV show. h) The revised computer
term-a-day calendar.*

at Waldenbooks

Check the yellow pages for the one nearest you.

BOOKS



THE HEROES OF CAPITALISM

BY NICHOLAS LEMANN

THE SPIRIT OF ENTERPRISE
by George Gilder.
Simon and Schuster, \$17.95.

GEORGE GILDER'S LAST book, *Wealth and Poverty*, coincidentally published at the beginning of the Reagan Administration, was adopted by the President's aides as a kind of anthem, a stirring philosophical call to the political work they were beginning. The book's thesis was that capitalism was insufficiently appreciated not only by liberals but also by conservatives, who customarily defended it solely on the grounds of its brute efficiency as a generator of wealth and a distributor of resources. In fact, Gilder argued, capitalism is really based on altruism, in that the capitalist must invest without knowing what the return will be, and so lays out his funds purely in a spirit of gift-giving.

The bounty of capitalism, Gilder maintained, was such that cuts in the tax rates would spur economic activity to the point at which the government's revenues would increase. Cuts in social programs, by the same logic, would help the poor by pushing them toward the generosity of the private economy. Gilder was not the sole inventor of these policy arguments, but through a combination of timing, fervor, and big-picture perspective *Wealth and Poverty* gained a

readership and an immediate impact on the world that is rare for an abstract work about public affairs.

What would he do for an encore? Would he change his views to account for the differences between the time of Reagan's inauguration and that of his putative re-election? During the seventies conservative writers perfected a tone of lonely, courageous rebellion against the established culture, of daring at great personal cost to tell the truth; this was the tone of *Wealth and Poverty*. Now American conservatism is firmly in power for the first time in years, which raises the question of whether conservative writers should adopt a measured, Council on Foreign Relations-ish tone or feign continued embattlement. Also, though the country is arguably prospering economically, the prediction by Gilder and other supply-siders that cuts in the tax rates would lead to tax-revenue increases has not come true. Now that revenues are down, and largely as a result, deficits are up, some explanation would seem to be in order.

Gilder slides past the tax issue with a believer's faith that a general truth is more powerful than specific examples to the contrary. Anyway, taxes don't occupy center stage in this book; the life stories of entrepreneurs do, and the tenor of the times notwithstanding, Gilder insistently portrays them as prophets without honor, plagued not only by the constant toil and risk that are their natural lot but also by the sneers of professors and bureaucrats.

"A bold and happy business warrior" named J. R. Simplot, an Idaho potato magnate, is the first of Gilder's entrepreneurs. Then come an oilman, a sewage-treatment tycoon, a flock of Cuban im-

migrants, Japanese auto and electronics executives, and pioneers in Silicon Valley. Finally, Gilder returns to Idaho ("a land of business legends") for the story of Micron, a manufacturer of random-access-memory chips partly financed by Simplot. All the men and endeavors are described in terms so heroic and language so florid as to make *Wealth and Poverty* seem restrained. In the preface to an earlier book Gilder named Joan Didion's writing as his stylistic ideal; now his admiration for entrepreneurs is so boundless and his resentment for their burdens so sharp that he seems to have switched role models, to Ayn Rand.

Introducing J. R. Simplot's birthplace, he says, "It was in this one-room cabin that 'Jack,' as he came to be known—before his name resounded widely through the region as 'J.R.'—first exercised his echoing voice and sturdy limbs." A little later: "He knew at eight the process of investment—forgoing present candy for future bags of lollipops and then forgoing the lollipops as well." Gilder's generalizations about entrepreneurs are even more empurpled. For example: "Always beleaguered, beset by Damoclean governments, they rule the only world that endures: the world of knowledge and nature, mind and art, inspiration and industry, the world that sustains the life of man as he struggles within the nets and maps of power and the past." One more irresistible sentence, from the next-to-last paragraph of the book: "These men are legion, the true legislators for the silent and silenced majorities of the globe."

The thought process that produces this perfervid language is also evident in Gilder's ecstatic description of every-

Nicholas Lemann is a national correspondent for The Atlantic.

**FACTORY
DIRECT PRICES!**

This Winter, Enjoy the Warm, Comfortable Magic of 100% Pure Knitted Silk

Ounce for ounce, silk is the warmest natural fiber known to man. It's feather light, soft to the touch, and has virtually no bulk. Yet it's incredibly durable. It's the ultimate winter body insulation. Our Wintersilks® body insulators are made from 100% pure knitted silk from the Imperial Far East, where silk was born and perfected. They're warm, comfortable — and *affordable*, thanks to our direct importing. Discover for yourself the incredible feeling of silk right next to your skin. *Order today!*



Silk Undershirts For men and women \$22.00 ea. for 2 or more, 1 for \$24.50

Tailored for all-day comfort, indoors or out. Wear skiing, apres-ski, or under dress clothes at the office. Absolutely no bulk. Unlike other winter undergarments, you hardly know you're wearing silk. Crew-neck collar, elasticized cuffs. Hand or machine washes easily. Dries overnight at room temperature. Men's/Ladies XS-L, Unisex sizes (see chart below). Color: Champagne.

	XS	S	M	L
Men's	30-32	34-36	38-40	42-44
Ladies	4-6	8-10	12-14	16-18

Silk Turtlenecks \$29.50 ea. for 2 or more. 1 for \$32.50 ea.

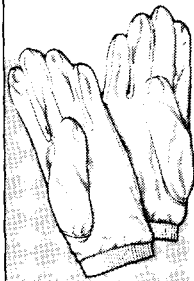
Soft, smooth and stylish! The traditionally popular turtleneck, now in pure silk. Elasticized cuffs and turtle. For skiing, chilly weather sailing ... or weekends. Great for travelers who like to dress up but travel light. Feather-light to the touch, easy to care for. Men's/Ladies XS-XL sizes in Navy or Red.



	XS	S	M	L	XL
Men's	30-32	34-36	38	40-42	44
Ladies	4-6	8-10	12	14-16	18-20

Silk Balaclavas \$8.85 ea. (in quantity)

Long a favorite of skiers and climbers in Europe. 100% pure heavyweight knitted silk fabric fits comfortably over entire head, with oval opening for eyes. Wear alone, or under ski hat or parka hood. Weighs one ounce and compacts to the size of a golf ball. One size fits all. Colors: Sky Blue, Navy, Red or Silver Gray. 1 for \$9.95 ea.; 2 for \$9.75 ea.; 3 for \$9.50 ea.; 6 for \$8.85 ea.



Silk Glove Liners \$5.70 ea. (in quantity)

Our Wintersilks Glove Liners are feather-light, durable and warm — with absolutely no bulk. Wear alone for driving, cross-country skiing or chilly commuting. In frigid weather below 20 F, wear under your favorite gloves or mittens. Each pair weighs one-half ounce and compacts easily into a shirt or jacket pocket. Color: Champagne. 1 pair, \$7.95; 2 pairs, \$7.85 ea.; 4 pairs, \$6.95 ea.; 6 pairs, \$6.20 ea.; 12 pairs, \$5.70 ea.

S	M	L
6 1/2-7	7 1/2-8	9-9 1/2

"The two shirts I ordered arrived this afternoon. I am most pleased with the quality, and your service was nothing short of amazing. I have dealt with many catalog companies over the years and yours surely ranks with the best." —D. Holeman, San Francisco

"Thank you for the unbelievably fast delivery of the items I ordered last weekend!" —D. Jenner, Wilmington, Del.

Guarantee: If for any reason you are dissatisfied, return your purchase(s) in as-new condition within 30 days of our shipment date for a prompt refund, credit or exchange — whichever you prefer. Returns cannot be accepted after 30 days. Shipping and handling charges are not refundable. We do not accept C.O.D. packages.

Care Instructions: Hand or machine wash gently in cold water using mild soap, such as Ivory. Rinse in cold water. Squeeze out excess water; do not wring. Dry flat on towel or machine dry on delicate setting. Do not dry clean.

Delivery: We ship most orders within 72 hours of receipt. If there is any reason for delay, you will be promptly notified by telephone or postal card.

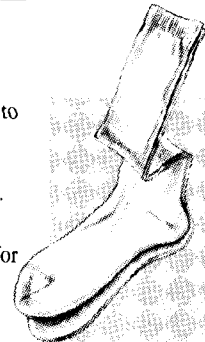
Silk Sock Liners

The last word in cozy, warm toes. Wear right next to the skin under your sport or dress socks. Keep an extra pair in your car, briefcase or office desk for traveling during those wet, chilling January thaws. Men's/Ladies' XS-XL sizes. Color: Champagne.

Ankle Height Silk Sock Liners: 1 for \$7.95 ea.; 3 for \$7.50 ea.; 6 for \$7.25 ea.; 12 for \$6.95 ea.

Mid-Calf Height Silk Liners: 1 for \$8.95 ea.; 3 for \$8.50 ea.; 6 for \$8.25 ea.; 12 for \$7.95 ea.

Sock Sizes	XS	S	M	L	XL
Men's Shoe	7	8	9-10	10 1/2-11 1/2	12-13
Ladies Shoe	5 1/2-6	6 1/2-7	7 1/2-8 1/2	9-10	11-11 1/2



To order, fill in, clip and mail the coupon below, or call Toll-Free 24 hours a day:
1-800-648-7455 In Wisc., Alaska or Hawaii call 1-608-836-4600

Qty.	Size	Color	Description	Price Each	Total
		Champagne	Men's/Ladies' Silk Undershirts	\$22.00 / \$24.50	
		Champagne	Men's/Ladies' Silk Turtlenecks	\$29.50 / \$32.50	
		Champagne	Silk Glove Liners	see above	
		Champagne	Ankle Height Silk Sock Liners	see above	
		Champagne	Mid-Calf Silk Sock Liners	see above	
			Silk Balaclavas (one size fits all)	see above	
☐ Check ☐ Visa ☐ MasterCard ☐ Amex				Shipping, Handling & Insurance \$3.40	
Card No. _____				5% Tax for Wis. Addresses	
We ship UPS whenever possible. Be sure to give your complete street address.				Total Enclosed	

Winter

SILKS

The White Pine Company, Ltd.

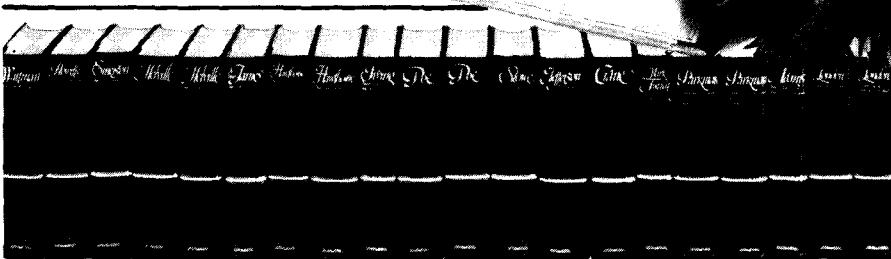
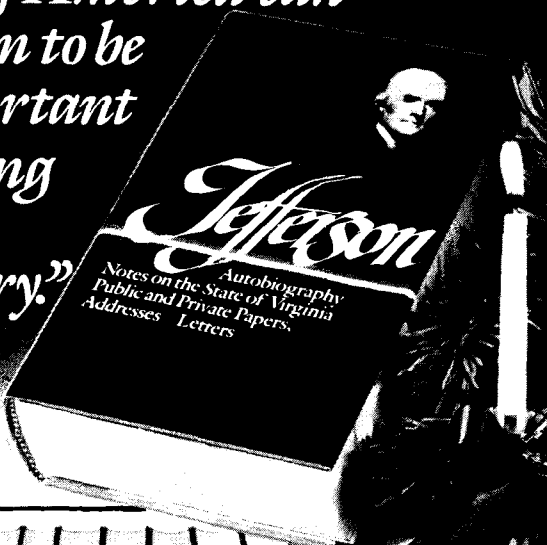
Name _____
Address _____
City _____ State _____ Zip _____

Dept. P04, 2700 Laura Lane, Middleton, Wisconsin 53562

*"After 2½ years and 20 volumes,
The Library of America can
plausibly claim to be
the most important
book-publishing
project in the
nation's history."*

—Newsweek, 10/1/84

At bookstores now—guaranteed
you know will endure.
Jefferson, \$30.00; most
other volumes, \$27.50.



THE LIBRARY OF AMERICA

Distributed by The Viking Press, 40 West 23rd Street, New York, N.Y. 10010

VILLAS • CONDOMINIUMS

Vacation Rentals in Luxury Homes

JAMAICA • MEXICO • CARIBBEAN

TRAVEL RESOURCES

800-327-5039

3314 Virginia St. • Coconut Grove, FL 33133

GREEN RIVER TRADING CO.™

**MANUFACTURERS OF QUALITY
LOG HOMES**

Send \$5 for Complete Catalog

BOSTON CORNERS ROAD
MILLERTON, NEW YORK 12546
518-789-3311



**BOSTON UNIVERSITY
GRADUATE
CREATIVE WRITING PROGRAM**

An Intensive One-Year Program Leading
to the Master's Degree in Creative Writing
Announces

**THE HELEN DEUTSCH
CREATIVE WRITING FELLOWSHIP**
A duty-free stipend and full tuition

For further information about the Helen Deutsch
Fellowship, other forms of financial aid, and
faculty for the next academic year, please contact:

Leslie Lomasson
Creative Writing Program, Boston University,
236 Bay State Road, Boston, MA 02215

Boston University is an
equal opportunity institution.

STATEMENT OF OWNERSHIP, MANAGEMENT AND CIRCULATION (Required by 39 U.S.C. 3685): 1. Title of Publication: The Atlantic. A. Publication No.: ISSN 02769077. 2. Date of Filing: October 1, 1984. 3. Frequency of Issue: Monthly. A. No. of issues published annually: Twelve. B. Annual subscription price: \$9.95. 4. Location of known office of publication: 8 Arlington Street, Boston (Suffolk County) MA 02116. 5. Location of the headquarters or general business offices of the publishers: 8 Arlington Street, Boston (Suffolk County) MA 02116. 6. Names and addresses of publisher, editor, and managing editor: Publisher: None. Editor: William Whitworth, 8 Arlington Street, Boston, MA 02116. Managing Editor: Louise Desaulniers, 8 Arlington Street, Boston, MA 02116. 7. Owner: The Atlantic Monthly Co., 8 Arlington Street, Boston, MA 02116. Mortimer B. Zuckerman, 8 Arlington Street, Boston, MA 02116. 8. Known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages or other securities: None. 10. Extent and nature of circulation: A. Total No. copies printed (Net press run): Average No. copies each issue during preceding 12 months: 533,485. Actual No. copies of single issue published nearest to filing date: 530,000. B. Paid circulation. 1. Sales through dealers and carriers, street vendors and counter sales: Average No. copies each issue during preceding 12 months: 44,104. Actual No. copies of single issue published nearest to filing date: 40,000. 2. Mail subscription: Average No. copies each issue during preceding 12 months: 400,827. Actual No. copies of single issue published nearest to filing date: 405,902. C. Total paid circulation: Average No. copies each issue during preceding 12 months: 444,931. Actual No. copies of single issue published nearest to filing date: 445,902. D. Free distribution by mail carrier or other means, samples, complimentary, and other free copies: Average No. copies each issue during preceding 12 months: 10,503. Actual No. copies of single issue published nearest to filing date: 9,383. E. Total distribution: Average No. copies each issue during preceding 12 months: 455,434. Actual No. copies of single issue published nearest to filing date: 455,285. F. Copies not distributed. 1. Office use, left-over, unaccounted, spoiled after printing: Average No. copies each issue during preceding 12 months: 5,818. Actual No. copies of single issue published nearest to filing date: 5,715. 2. Returns from news agents: Average No. copies each issue during preceding 12 months: 72,233. Actual No. copies of single issue published nearest to filing date: 69,000. G. Total: Average No. copies each issue during preceding 12 months: 533,485. Actual No. copies of single issue published nearest to filing date: 530,000. 11. I certify that the statements made by me above are correct and complete.

(signature)

Lawrence J. Murphy,
Senior Vice President

thing his entrepreneurs do. Gilder has always been a great admirer of marriage, so when J. R. Simplot gets divorced, it's because, contrary to how it might look, Simplot admires marriage—so much that he “married his company.” While admitting that many entrepreneurs don't go to church, Gilder insists that they're all “shaped by religious values.” When another of his heroes, Milos Krofta, operates his family's Yugoslavian paper mill for the Nazis during the Second World War, it's okay with Gilder—in fact, positively admirable: “He embraced his conservative role with full fervor and resourcefulness,” Gilder says, and he “fought to preserve jobs.”

Gilder is so sure that government always holds back the entrepreneur that he feels no qualms about presenting a great deal of evidence that minds less certain might interpret as proving the opposite. Simplot's first big success comes from supplying the Army with rations during the Second World War. Krofta gets rich in America building sewage-treatment plants mandated by federal regulations. Armando Codina, one of the Cuban immigrants, makes his fortune by designing a software program to help doctors with the complex record-keeping required by Medicaid, and his first financing comes in the form of a federal Small Business Administration loan. To Gilder each man is only responding to market conditions set by government, and thus retains his credentials as a pure creature of the marketplace, but Gilder does not belabor this explanation. His preferred tactic when confronted with what look like chinks in his theory—or, for that matter, with any of the world's complexity—is not debaters' legerdemain but a blithe barreling onward.

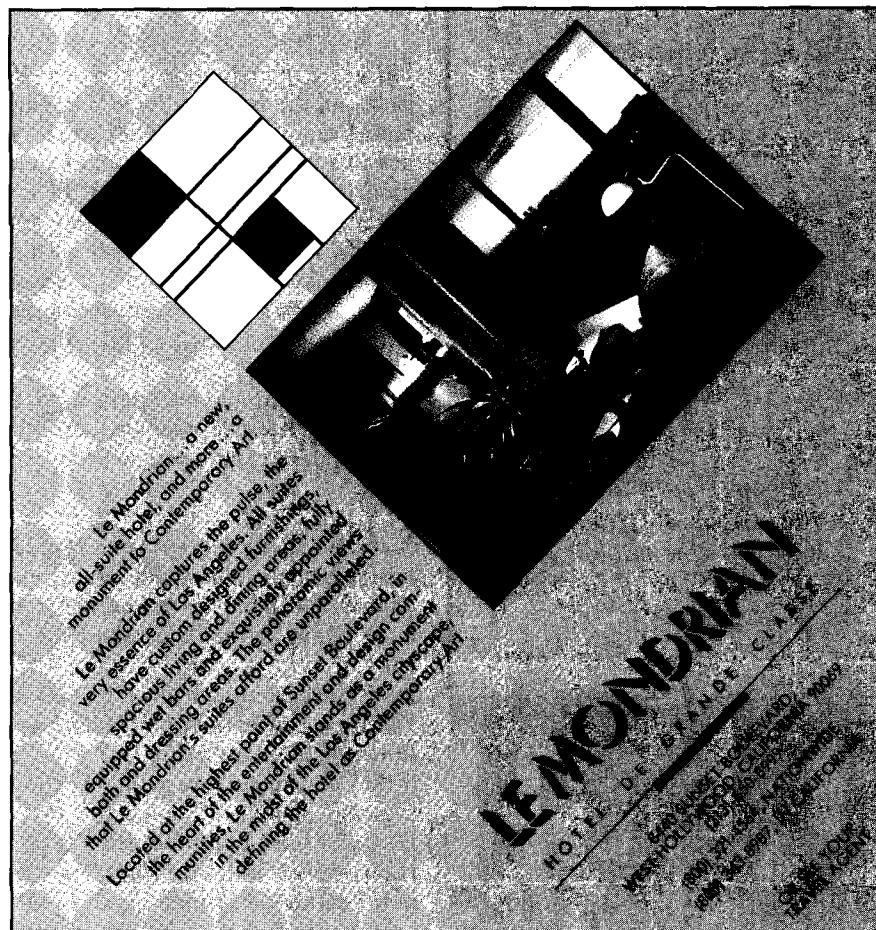
THERE IS ONE point on which Gilder's constant pose as the debunker of respectable opinion goes beyond pretense, and where, therefore, the blunt-instrument quality of his writing is useful. Respectable opinion is of course a moving target, but judging at least from this year's publishers' lists, respectable economic opinion is that we must emulate the protectionism and industrial policy-making of the Japanese government in order to regain our strength. Author after author sings the praises of MITI, the Japanese Ministry of International Trade and Industry, which supposedly has nursed entire industries along to robust health; more generally,

economic success tends to be portrayed as the result of premeditated policies of government, the big corporations, and the unions as these work their way down into millions of individual pockets.

Gilder's view is entirely the opposite. He presents MITI as a comical blunderer, keeping crucial raw materials out of the country, bankrolling terrible ideas, and standing in the way of post-Second World War Japanese entrepreneurs like Soichiro Honda and Akio Morita (of Sony). He is derisive, and funny, on the subject of industrial policy, especially the kind that tries to foster innovation and manage economic change. He says it can never work, because economic success is so utterly random, and his life stories of entrepreneurs are persuasive evidence of this if not of their subjects' perfection. In every case it would have been impossible to pick out in advance either the people who became successful entrepreneurs or the ideas that got them there.

Most new oil is discovered by independents, not by the Seven Sisters. Products that changed the life of the country, from the Model T to the Apple II, were invented by uneducated garage tinkerers. Any new booming economy, like that of Silicon Valley today or the Anadarko Basin a few years ago, will be dominated by a crew far more motley than any rationally selected group of the talented, such as, say, the freshman class at Yale. As it is with individual successes, so too with large-scale shifts in the economy: when the Second World War ended, almost no one foresaw the twenty-year boom that was coming, and in the mid-sixties most economists thought the gross national product would keep growing by three percent a year forever. Gilder also argues that to try to make large institutions the locus of innovation, especially if doing so reduces the flexibility of the rest of the economy, cuts off a great source of economic strength.

Possessed by an enthusiasm that inflates every point and makes acknowledgment of fallibility impossible, Gilder, in this as in other matters, overstates his case. The best example is his bizarre attack on the federal government for failing, in tabulating the GNP, to classify computers as a separate industry. To Gilder this is "a colossal blunder" that "reveals and symbolizes a fundamental incapacity to measure economic growth, capital accumulation, productivity, or inflation." One feels he's reading in mean-



Le Mondrian, a new all-suite hotel, and more a monument to Contemporary Art.

Le Mondrian captures the pulse, the very essence of Los Angeles. All suites have custom designed furnishings, spacious living and dining areas, fully equipped wet bars and exquisitely appointed bath and dressing areas. The panoramic views that Le Mondrian's suites afford are unparalleled.

Located at the highest point of Sunset Boulevard, in the heart of the entertainment and design community, Le Mondrian stands as a monument in the mid of the Los Angeles cityscape, defining the hotel as Contemporary Art.

LE MONDRIAN
HOTEL DE GRANDE CLASSE

100 WEST HUNTERSDEN
WEST HOLLYWOOD, CALIFORNIA 90069
800 771 4343 / 310 771 4343
OPEN 24 HOURS
TAXI 24 HOURS



Pure Silk Balaclavas!

\$8.85 ea.
(in quantity)

100% pure knitted silk for ultimate comfort and warmth. Covers entire head, with oval opening for eyes. Long a favorite of skiers and climbers in Europe. Wear alone or under parka hood. Long neck style. Weighs one ounce, stores easily in shirt pocket or purse. Feather-light, soft on your skin. One size fits all. In Navy, Sky Blue, Silver Gray or Red. 1 for \$9.95; 2 for \$19.50; 3 for \$28.50; 6 for \$53.10. Order today!

Winter SILKS® **The White Pine Co., Ltd.**
Dept. P05
2700 Laura Lane
Middleton, Wisc. 53562

Order Toll-Free: 1-800-648-7455
Alaska, Hawaii and Wisc.: 1-608-836-4600

Please send _____ Silk Balaclavas per the price schedule above. Enclosed is \$ _____

1st Color Choice: _____ 2nd Color Choice: _____

Add \$2.75 for shipping, handling and insurance.
Wisconsin residents add 5% sales tax.

☐ Check ☐ MasterCard ☐ Visa

Card No. _____ Exp. _____

Name _____

Address _____

City _____ State _____ Zip _____

Guarantee: If not totally pleased, return in as-new condition within 30 days of shipment for refund or exchange (S & H not refundable).

AUDIO-FORUM® offers the best in self-instructional foreign language courses using audio cassettes — featuring those used to train U.S. State Dept. personnel in Spanish, French, German, Portuguese, Japanese, Greek, Hebrew, Arabic, Chinese, Italian, and more.

Learn a foreign language on your own! Free Catalog

Call (203) 453-9794, or fill out and send this ad to —
Audio-Forum
Room 911, On the Green
Guilford, CT 06437

Name _____

Address _____

City _____

State/Zip _____

I am particularly interested in (check choice):

☐ Spanish ☐ French ☐ German ☐ Polish
☐ Greek ☐ Russian ☐ Vietnamese
☐ Bulgarian ☐ Turkish ☐ Hausa
☐ Other _____

"Chilling and powerful, reminding us once again why we must never forget the lessons of the Holocaust."

—Congressman Peter Rodino
Chairman, House Judiciary Committee

"A must for anyone concerned about . . . Nazi war criminals in America and our government's recent efforts—after years of disgraceful inaction—to bring them to justice. A compelling account."

—Elizabeth Holtzman
New York District Attorney
and former U.S. Congresswoman

"A thriller written by life in our times. The mills of justice have been working slowly and the many years have changed blood to paper . . . but [the criminals] will not die as innocent."

—Simon Wiesenthal

QUIET NEIGHBORS PROSECUTING NAZI WAR CRIMINALS IN AMERICA

Allan A. Ryan, Jr.



As many as 10,000 Nazi war criminals entered the U.S. after World War II. From operating the gas chambers at Treblinka to working assembly lines at American factories, many took up their assumed identities easily, profitably, quietly. Presenting evidence never before made public, former Office of Special Investigations Director Allan A. Ryan, Jr. tells of the criminals, the cases, and the dogged pursuit to justice. It is a riveting story and a gripping indictment of the government lethargy that has allowed forty years to pass without justice being done.



\$15.95

Harcourt Brace Jovanovich

ing where there is none—and even if he isn't, can the issue really be that important? In another place Gilder says it's impossible to tell whether government jobs programs help people; in fact there are studies that measure what Gilder would consider the real question about such programs, namely whether their beneficiaries go on to jobs in the private sector. Still, with economic writing and debate so heavily concerned with macroeconomic questions, a primal scream in service of the view that the economy follows a quirky, idiosyncratic path is useful.

ODDLY, AFTER devoting so much thought to the human vagaries of business innovation, Gilder is the purest of macroeconomists on the subject of encouraging entrepreneurship: the one and only way of doing so that he will acknowledge is through lowering tax rates. His discussion of this point is almost perfunctory, as if his heart isn't in it. He makes an excellent case against the tax system's many preferences for real estate, which lead entrepreneurs to tie up their wealth in land rather than start new ventures. But then he says, "A tax code perforated for avoidance is preferable to a system of the same rates with no loopholes." He says that entrepreneurship depends on letting the rich keep their wealth—but his entrepreneurs tended to do their most creative work before they were rich, and only rarely were they even funded by the already rich. Amid his stories of fantastic chances taken with, he says, financial reward as only a secondary motivation, he blandly repeats the supply-side doctrine that all citizens at all times stand ready to withdraw from productive life the minute the tax rate gets too high.

Certainly there is some connection between the tax rates and entrepreneurial motivation, but Gilder's own evidence shows that it's not as precise and all-determining as he claims. None of his entrepreneurs thought hard about taxes until after doing most of the work that has won Gilder's admiration. Even if you believe, as Gilder doesn't really, that externalities create or destroy entrepreneurship, why must taxation be the only one? The personal-computer boom seems to have been caused by the opening of a technological window in integrated circuitry much more than by the 1978 cuts in the capital-gains tax rate. Gilder, an apostate preppe and moderate Republican, has written and spoken convincingly in the past about how the

cultural milieu he grew up in nipped entrepreneurs in the bud. The formal American meritocracy, which selects bright young people in their teens, parks them in school through their late twenties, by which time their sap has stopped rising, and then offers them risk-free six-figure-salary jobs as doctors, lawyers, and consultants, could not discourage entrepreneurship more efficiently if it were designed for that purpose. But Gilder won't let forces like these into the story.

There is a variegated literature emerging that tries to explain economic innovation at the ground level, in terms of cultural and economic forces acting on people rather than as a matter of grand policy. *The Spirit of Enterprise*, which could have been a part of this literature, instead just whets the appetite for it—for works that share Gilder's way of looking at the economy from the bottom up but not his one-eyed view of human nature. □

A MODERN WHITMAN

BY JAMES ATLAS

COLLECTED POEMS 1947–1980

by Allen Ginsberg.
Harper & Row, \$27.50.

NO AMERICAN POET has proclaimed his contempt for this country more noisily than Allen Ginsberg. Ever since he first recited "Howl" in a San Francisco coffeehouse, in 1956, Ginsberg has been railing against the horrors of urban life, the stupidity of our government, and the crimes of what used to be called the military-industrial complex. Radical, drug-inspired, pornographic, his poetry has been available only in pamphlets and small-press editions. Now Harper & Row has issued Ginsberg's *Collected Poems* in a handsome trade edition—the first of six volumes that will eventually make available his journals, letters, literary essays, and lectures on American literature, as well as a new collection of poems scheduled to coincide with his sixtieth birthday, in 1987. The collected works of Allen Ginsberg: the sixties are history.

Replete with appendices and notes

James Atlas is an associate editor of *The Atlantic*.

designed. Ginsberg explains, for "electronic laser TV generations that don't read Dostoyevsky," this 850-page volume is as weighty as the original volumes were slight. There was a fugitive, mildly forbidden aura about those little pamphlets, with their stark black-and-white covers, issued by Lawrence Ferlinghetti's City Lights Books in San Francisco. I bought a copy of *Howl* for seventy-five cents in Ferlinghetti's store when I was a teenager, and read with furtive wonder the litany of sordid goings-on experienced by the best minds of Ginsberg's generation,

who cowered in unshaven rooms in underwear, burning their money in wastebaskets and listening to the Terror through the wall,

who got busted in their pubic beards returning through Laredo with a belt of marijuana for New York,

and worse. much worse. If you were in the right crowd, the somnolence of the Eisenhower era was a myth. Dope and free sex weren't inventions of the sixties; Ginsberg and his cronies gave them currency a decade before anyone ever heard of Haight-Ashbury.

Thanks to the several biographies of Ginsberg's sidekick Jack Kerouac and the memoirs of their voluble companions on the road, we know a great deal—maybe more than we need to know—about the stoned adventures of the Beats during the 1950s. Even so, the *Collected Poems* is a fascinating historical document. Rich in particulars, in the names of places and lovers and dates ("34 coming up—I suddenly felt old—sitting with Walter & Raquel in Chinese Restaurant"), the poems have been arranged in strict chronological order "to compose an autobiography," Ginsberg notes in his preface—one of the most candid autobiographies ever written. An ardent seducer of boys, he dwells unblushingly on what Richard Ellmann once called the "precise anatomical convolutions" of love, and the details of his pederastic revels are enough to make even a regular at the Ramrod wince. But these revelations aren't just prurient; lurid as they are, they belong to the convention of the horny old poet celebrating the transient beauty of youth.

In his preface Ginsberg describes his method of composition as "spontaneous insight—the sequence of thought-forms passing naturally through ordinary mind." American poetry is full of such talk, from Charles Olson's theory of "art as process" to Frank O'Hara's "I do this.

"A great untold story."*

"Simply marvelous...

gut-spinning, heart-warming and anger-provoking . . . Once again some remarkable voices have spoken to Studs Terkel."

—Chicago Tribune

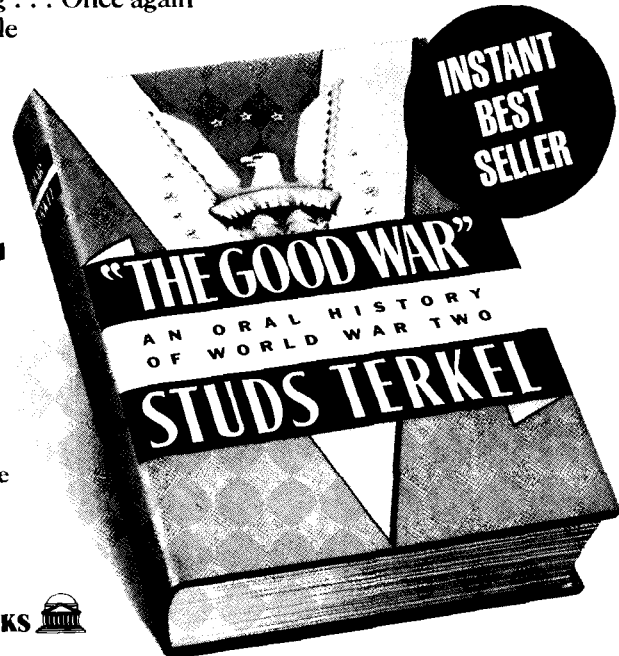
*Kirkus Reviews

- A Literary Guild Featured Alternate
- A Military Book Club Main Selection

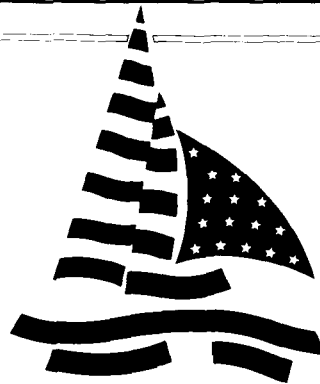
608 Pages.
\$19.95, now
at your bookstore

"Tremendously exciting"

— WILLIAM L. SHIRER



PANTHEON BOOKS 



America's Cup.

Don't leave Perth without it.

Our new poster is one of over 250 products offered in our 48 page full-color catalog. Poster measures 24" x 35". Printed in red and blue on white paper. Our catalog features gifts and accessories for the owners and crews of fine yachts and small boats.

- ☐ Send Posters @ \$20. each (plus \$ 2.75 each packing and delivery)
☐ Send catalog (free with poster or \$1 for catalog only)
☐ Check Enclosed ☐ MC/VISA ☐ AMEX

Card # _____ Exp Date _____

Signature _____

Name _____

Address _____

Zip _____

MYSTIC SEAPORT MUSEUM STORES

Dept. 150, Mystic, CT 06355 Credit Card 203/536-9957

L.L.Bean®

Outdoor Sporting Specialties



FREE Winter Catalog

72 pages of cold weather favorites from L. L. Bean. Quality apparel and footwear for men and women. Winter sports equipment, luggage and furnishings for home and camp. Special values on many items. All honestly described and fully guaranteed to give 100% satisfaction. Our 72nd year of providing dependable mail order service.

☐ Send FREE Winter Catalog

Name _____

Address _____

City _____

State _____ Zip _____

L. L. Bean, Inc.

181 Casco St., Freeport, ME 04033

I do that" poems and Robert Bly's quest for the "deep image." In this view, poetic structure is repressive, authoritarian, a means of dominating and controlling the imagination. To put anything and everything into a poem is to capture the random, discontinuous nature of reality, to mime the texture of perception. Thus Ginsberg quotes newspapers, snatches of conversation, radio commentators; he addresses dead friends, blurts out old grievances, and dwells on childhood memories—gives us, unmediated, what he calls "the literary cackle in my head."

This "first thought, best thought" procedure entails considerable risks. A lot of Ginsberg's poetry could be written off as no more than stoned babble. Re-

What do we do?
You bomb! You bomb them!
What do we do?
We bomb! We bomb them!
What do we do?
We bomb! We bomb them!

There aren't many memorable lines in even the best of Ginsberg's work, but it has a virtue rare in contemporary poetry: it's never dull. Crammed with gossip, anecdotes, and confessions of sexual miscreancy, his garrulous, untidy narratives read like a good novel. The travel poems—"To Poe: Over the Planet, Air Albany-Baltimore," "Kansas City to Saint Louis," "Bayonne Entering NYC"—are vivid evocations of the American landscape that Ginsberg has traversed so many times, glimpsed from

with the war in Vietnam, Ginsberg quotes Kissinger, Westmoreland, McNamara, Johnson, rehearses the atrocities committed in their name, decries the "Black Magic language" they invoked to justify themselves:

Communism is a 9 letter word/ used by inferior magicians with/ the wrong alchemical formula for transforming earth into gold/ —funky warlocks operating on guesswork,/ handmedown mandrake terminology/ that never worked in 1956/ for gray-domed Dulles,/ brooding over at State,/ that never worked for Ike who knelt to take/ the magic wafer in his mouth/ from Dulles' hand/ inside the church in Washington . . .

These outbursts may seem dated now, shrill polemics out of another time, but they have a certain documentary value. When he didn't have his nose in Blake or the Upanishads, Ginsberg was scouring *The New York Times* for evidence of nefarious activities. Convinced that the CIA was involved in the heroin trade in Southeast Asia, he made a bet with Richard Helms, then its director: if his assertions turned out to be without substance he would confer on Helms a cherished Tibetan talisman, and if he was right, Helms would agree to meditate for an hour a day for the rest of his life. When I asked him recently how their bet had come out, he said that he had proven his case but doubted that Helms had kept his part of the bargain. (Ginsberg also mentions a letter from C. L. Sulzberger acknowledging the substance of his claims and admitting that he'd once thought Ginsberg was "full of beans." Not even poet-revolutionaries can resist dropping these big establishment names.)

Still, Ginsberg is no ideologue. Like Norman Mailer, he takes a karmic view of things: political repression is symptomatic of sexual repression; ecological catastrophe is the result of capitalist greed; meditation is the way to holiness. *Collected Poems* is crammed with references to Hindus and Buddhists, yogis and saints—a supermarket of Eastern lore that puts Eliot's Sanskrit dabbings in the shade. Everywhere he goes Ginsberg broods on "the shades of dead living loves, bodies weeping bodies broken, bodies aging"—a hip guru, heir of Whitman, "Buddhist Jew" with a sad heart and a gay appetite, scribbling "ambitious egohood's thousand pages."

The appearance of a volume of collected poems is an invitation to specu-



fining James Joyce's geographical signature to *Ulysses* (Trieste-Zürich-Paris, 1914-1921), he supplies not only the date and place but the time of composition (*January 22, 1977, 3 A.M.-11:30 A.M.*) and, on occasion, the stimulant employed; "*Big Sur, June 16, 1968 (grass)*," reads the dateline to "Bixby Canyon." There are pages and pages of self-parody ("I carry/ Subversive salami in/ my ragged briefcase"), sentimental rhetoric ("Let some sad trumpeter stand/ on the empty streets at dawn/ and blow a silver chorus to the/ buildings of Times Square"), and sheer inanity ("and the grief of the countless chickens of America is expressed in the screaming of her comedians over the radio"). You know the poet's had a few tokes when you read a poem like "Hum Bom!":

What do we do?
You bomb! You bomb them!

train compartments, airplane windows, cars hurtling through New Jersey:

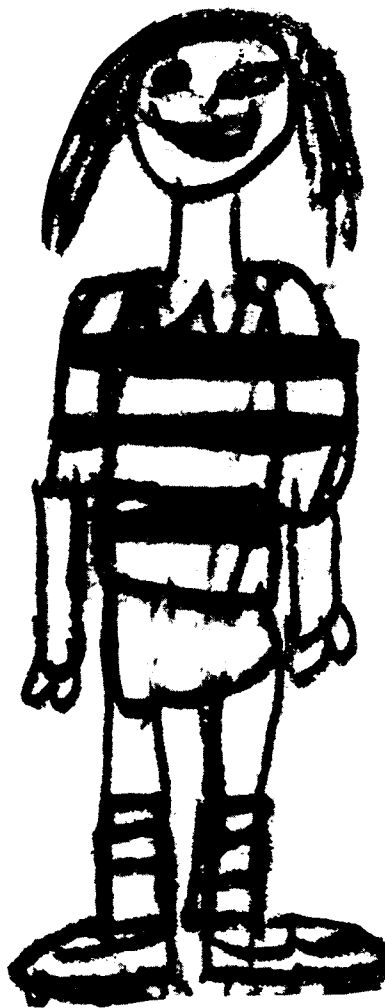
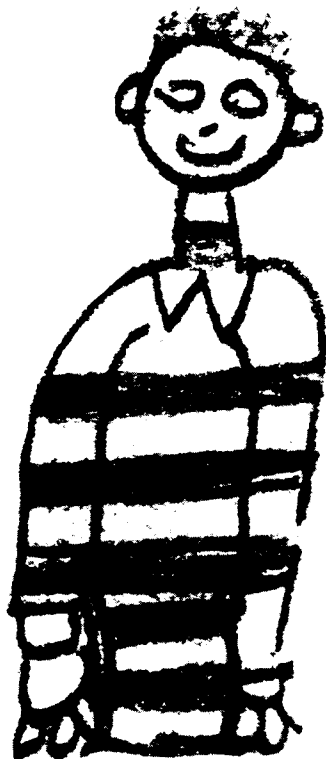
Gray water tanks in gray mist,/ gray robot/ towers carrying wires through Bayonne's/ smog, silver/ domes, green chinaworks steaming,/ Christmas's leftover lights hanging/ from a smokestack—/ Monotone gray highway into the gray West . . .

These geographical passages, some of them ten pages long, are utterly absorbing. Even when Ginsberg has nothing to say about what he sees, the word picture he conjures up has the power of a photograph: this is how America looks.

GINSBERG'S VISION of his country is hardly arcadian. "Pentagon Exorcism," "War Profit Litany," "Grant Park: August 28, 1968"—the titles tell the story. *Collected Poems* can be read as a leftist history of the sixties. Obsessed

At Lands' End,
when it comes
to clothing, we
don't separate
the men from
the boys.

(Or the girls from the women.)



Beyond that—just as we make sure the pants we sell to women are made to fit a woman, not a man—we have specified certain design changes that improve the look of children's garments on children's bodies.

These are subtle changes. Like narrower stripes in a Rugby shirt, or possibly a proportionately longer sleeve. The shirt still looks like Dad's and is of the same quality, but it almost custom fits the child.

No standing ovations, please.

We don't mention these things to invite your applause. They're

When we first turned our attention to clothing for children, we ran headlong—as you probably have—into the Great Contradiction.

It goes like this: kids are harder on clothing than adults. Yet, often they have to put up with garments of lesser quality and poorer design. What could be more unfair?

We took an adult position.

At Lands' End, we dealt with this discrimination in one bold stroke. We have all our children's clothing made by the same people who manufacture our quality clothing for men and women. And we insist they provide identical quality.

LANDS' END
DIRECT MERCHANTS.
of fine wool and cotton sweaters, Oxford button-down shirts, traditional dress clothing, snow wear, deck wear, original Lands' End soft luggage and a multitude of other quality goods from around the world.

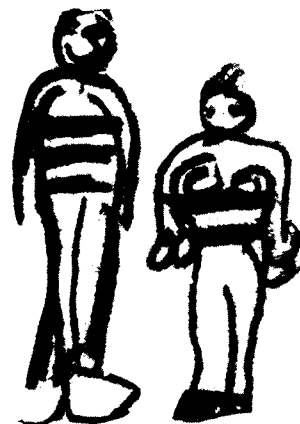
simply "part of the territory" Lands' End has carved out for itself, in providing *quality* first, then *price*, and always, always *service*. We leave no room for compromise. And even though this kind of attitude takes us to the ends of the earth to bring you our best, so be it. What are principles for if you don't act on them?

So, when you send for our catalog (see coupon below) or use our toll-free number to ask for it (800-356-4444), be prepared to see a lot of family pictures, because we make a lot of family offerings. Our Shetland sweater collection, for instance. Our flannel shirts. Our chamois shirts. And many other items in a line that reaches from soft luggage to parkas, with many colorful stops in-between.

And remember, every item we offer wears our unconditional, no-nonsense guarantee. So hard-nosed we state it in just two words:

GUARANTEED. PERIOD.

One way or another, let us hear from you soon. That's what we're here for.



drawing by Cass Anderson, age 7

☐ Please send free catalog.

Lands' End Dept. V-29
Dodgeville, WI 53595



Name _____

Address _____

City _____

State _____ Zip _____

Or call Toll-free:

800-356-4444

December report on

ATLANTIC MONTHLY PRESS BOOKS



We hope you remember **Harriet Robey's** remarkable debut with *There's a Dance in the Old Dame Yet*, a book about old age written when she was eighty years old. Now that she is eighty-four, and, as she says, "more mature," she has given us a second book, which is even more frank and unflinching than the first, but written with the same spunk and penetrating wit.

Taking for her subject the vicissitudes of married life and citing the experience of her own "ordinary marriage," she makes the point that no marriage is ordinary, that the very difficulties we encounter in trying to hold a marriage together point the way to the happiness that eludes so many of us. That paradox is so attractively unraveled in Mrs. Robey's story that you really have to read the book to appreciate the tonic originality of her thought.

"I began reading **An Ordinary Marriage** and couldn't stop. **Harriet Robey** tells her story with abundant charm and grace."

—Rabbi Harold S. Kushner,
author of *When Bad Things
Happen to Good People*

**AN ORDINARY
MARRIAGE**
by Harriet Robey

at your bookstore

LITTLE, BROWN

late on how the poet collected stacks up—always a risky business, given the provisional nature of literary taste. In a fit of impatience Ginsberg writes off the books on his shelves as "orient lore, poetry crap"—and there are critics who would say the same of his own work. Chaotic and hectoring, the long, Whitmanesque lines unfurl in apparent metrical anarchy, but no one who has ever heard Ginsberg read would call his prosody random. He has clearly served a rigorous apprenticeship, as the early imitations of Marvell and Donne (included in the appendix) demonstrate, and the long line he adopted in the 1950s exerts a hypnotic force. Poetry derives from oral literature; it was meant to be recited and sung. Ginsberg restores its original intent.

These poems are uneven, to say the least, but no more so than others just as ambitious (I'm thinking of William Carlos Williams's *Paterson*, Charles Olson's *Maximus Poems*, Robert Lowell's *Notebook*). *Collected Poems* is a vast, sprawling canvas, a portrait of postwar America. A handful of poems—"Iron Horse," "Wales Visitation," the sequence "Don't Grow Old," the pastoral "Ecologue," a meditation on Ginsberg's farm in upstate New York, and "Kaddish," a twenty-page elegy to Ginsberg's psychotic mother—seem certain to survive. "A good poet is someone who manages, in a lifetime of standing out in thunderstorms, to be struck by lightning five or six times," Randall Jarrell once estimated; "a dozen or two dozen times and he is great." By this measure, Allen Ginsberg is doing well, and he still hasn't come in out of the rain. □

WHAT GOOD IS ARMS CONTROL?

BY JAMES FALLOWS

DEADLY GAMBITS
by Strobe Talbott.
Knopf, \$17.95.

THE REAGAN ADMINISTRATION has long been plagued by the accusation that it is not "serious about arms control." No criticism is more infuriating to the Administration's foreign-policy officials, even though they realize that Ronald Reagan was the first President since Truman to go a full term without signing some sort of arms-control agree-

ment with the Soviets. From the outside the lack of an agreement looks like a failure, but to those on the inside it seems instead to be a demonstration of their seriousness. Who else, they ask, would be "serious" enough to resist the temptation to make an easy deal? Who else would be serious enough about arms control to try to turn the whole system on its head? In the dozen years before Ronald Reagan's election, a set of tired ideas and old faces had (as the President and his strategists saw it) whimpered their way to two strategic-arms-limitation agreements, SALT I and II. The old ways were to be swept out, in a revolution that would leave America with a more hard-headed and upright defense of its own interests, while simultaneously advancing the cause of world peace.

Deadly Gambits is the story of that attempted revolution. Strobe Talbott, a *Time* correspondent whose previous book, *Endgame*, described the struggles over SALT II during the Carter Administration, has cultivated remarkable sources within the arms-control world, and he has put them to use. With its rich store of anecdotes, careful explanation, and graceful writing, his book is by far the most instructive account of how the Administration's policies were made. Taken at face value, it is an unrelieved denunciation of the Reagan Administration, which Talbott depicts as a haven for fanatical ideas and intemperate men. But the book's real message is less partisan and more discouraging than that. The conclusion that I, at least, drew from it is that we should not expect much from arms control at all.

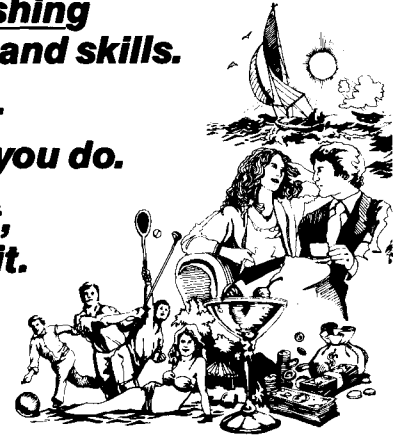
The case against the "SALT process," which was developed by conservatives whom Reagan brought with him into government, was that America's obsession with reaching arms-control agreements put the nation at a terrible disadvantage. The Russians, stolid and single-minded, knew exactly what they wanted from arms negotiations, whereas American Presidents, subject to the will of an impatient electorate, broke down and signed unequal agreements so as to seem men of peace. The SALT treaties, according to this reasoning, ratified the Soviets' military advantage while narcotizing the American public into complacency about the Soviet threat. Therefore, many of the Administration's theorists argued, it would be better to go four

James Fallows is the Washington editor of The Atlantic.

INSTANT MEMORY®

The New Natural Self-Improvement Discovery!

- **A quantum leap in unleashing hidden abilities, talents, and skills.**
- **Guaranteed to improve your performance in everything you do.**
- **Used by over 150,000 for insight, creativity, knowledge, and profit.**



Success depends on it . . .

INSTANT MEMORY is the fastest, surest, most enjoyable method ever devised to acquire a perfect memory *without even trying*.

No memorization, no word association

It helps you solve problems *fast*. Reduces stress, fatigue. And even improves your tennis game!

Release your photographic memory. Nothing is forgotten! Learn "how" you remember, "why" you forget. Discover a natural ability of your mind to instantly recall everything you see, read, hear.

INSTANT MEMORY® is the first, original, and trademarked natural learning system. It is the source of dramatic and authentic mind power.

You can have a photographic memory.

With **INSTANT MEMORY**, anyone can remember anything . . . *without even trying!* It unshackles your perfect memory from self-imposed exile instantly. This new way to remember is so simple, quick and usable, *everyone* can use it immediately.

Age is no barrier.

Why? Because the results are automatic. It is the easiest way to remember names, faces, dates, speeches, formulas, music, phone numbers, and even entire books.

Pass exams easily!

If you are in school, with **INSTANT MEMORY** you can *permanently* remember all you will ever study. Now you can *easily* pass every exam with less study, no worry and no "test trauma." Increases your vocabulary, improves spelling, masters foreign languages.

Here's how it works . . .

Science has proven the accumulated experience of a lifetime is preserved perfectly in your mind. **INSTANT MEMORY** simply releases it! Without word associations. Just the natural powers of your mind. It's a spectacular way to put a lifetime of learning at your fingertips. And it's your birthright!

About the INSTITUTE

For over 22 years, the Institute of Advanced Thinking has earned a reputation of proven reliability and integrity. It has gained international acclaim as the world's first and only instruction in Natural Memory.

The Institute is a member of the American Association for Adult and Continuing Education, Direct Marketing Club of Southern California, and Pacific Palisades Chamber of Commerce.



Play any sport better!

INSTANT MEMORY means your game just got better *without practice*. Why? Because the "perfect game" exists *inside you right now!* Simply learn how to "unleash" it.

Learn any skill.

INSTANT MEMORY means learning new skills at a speed you didn't think possible. Because it's a natural state of mind. It comes built-in. So you don't have to work for it. *No repetition, no relearning!*

Win at cards, give speeches, overcome stage fright.

This is far more than just a "memory" course . . . *it is a new way of living.* **INSTANT MEMORY** enables you to play any musical instrument, find lost articles, awaken the exact moment you desire, tell stories and jokes without nervousness, improve your typing, think faster, and much more!

There's no end to the things you can do with **INSTANT MEMORY**.

MINDSTORMING® - your key to creativity.

With this amazing technique originated by the **INSTITUTE**, you can *instantly* liberate your inner creative abilities and *natural* intuitive powers. It floods your mind with a fortune of money-making ideas. There is no limit to what you can discover, invent or produce!

Instant speed reading.

The first time you read something should be your last! Now you can *instantly* remember *all* you read. Because you will read a page like a photograph! With **INSTANT MEMORY**, there is *no* limit to the words you can read per minute.

YOU WILL LEARN

- ☐ How to remember as fast as you think
- ☐ Poise and self-confidence in any situation
- ☐ Your mind has NO limits
- ☐ Hidden talents you didn't know you had
- ☐ Why all other memory courses are obsolete
- ☐ How to excel in everything you do
- ☐ Forgetting is antinatural and 'curable'
- ☐ Real ESP is using your mind correctly
- ☐ How to relax your entire body in seconds
- ☐ Why concentration improves automatically
- ☐ To express yourself persuasively
- ☐ There's a library already in your mind
- ☐ To advance your career by staying informed
- ☐ How to 'unlearn' psychological obstacles
- ☐ To recall even tough technical material
- ☐ Popularity, prestige, recognition is yours . . . and much, much more!

PLUS the added benefit of being able to quickly read all the magazines, newspapers and books you desire . . . and retaining all of it more clearly and accurately than ever before . . . at a surprisingly low cost.

FULL MONEYBACK GUARANTEE

If you are not satisfied, simply return your book within 30 days for a complete refund. Absolutely no risk!

Institute of Advanced Thinking

845 Via de la Paz, Dept. AT1284
Pacific Palisades, California 90272

Yes, please send me your unique **INSTANT MEMORY** book for only \$10 complete by First Class Mail at no extra cost.

Name

Address

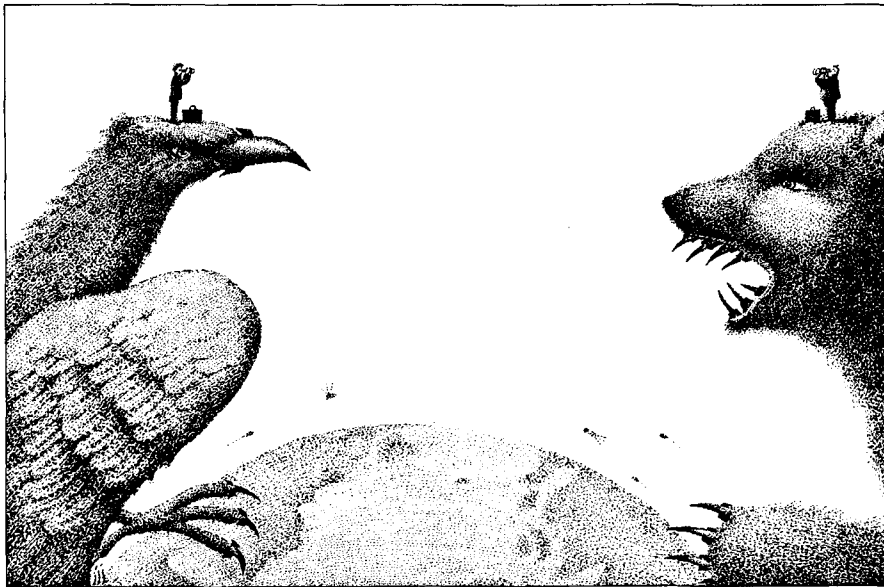
City State Zip

Or charge my ☐ VISA ☐ MasterCard

Card No. Exp. Date

© INSTITUTE OF ADVANCED THINKING 1981

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



or eight years with no treaty than to march further down the road of appeasement. All of them contended that the United States would have to use those years to rebuild its own force, so that in the future it could bargain from strength and could therefore persuade the Russians to accept "real" arms control.

Those theories were put to the test in two negotiating dramas, each of which fills half of Talbott's book. One drama began with a problem inherited from the Carter Administration: what to do about the new SS-20 missiles that the Soviet Union was sowing throughout Eastern Europe. Time and again Talbott reminds his readers that nuclear policies are driven by symbolic, rather than purely military, concerns. The INF talks (for "intermediate-range nuclear force"), which concerned the SS-20s, perfectly illustrate his point. Any target in France or Germany threatened by a new SS-20 had previously been threatened by some other Soviet weapon. Similarly, the Pershing II and Tomahawk missiles with which the United States hoped to offset the SS-20s would add almost nothing to the West's destructive potential. Anything they would be able to hit could already be hit by submarine-launched missiles, ICBMs, or bombers. Military leaders in both the Carter and Reagan Administrations were cool to the idea of matching the Soviet deployments, arguing that the Pershings and Tomahawks would eat up the budget and serve no military end. So remote was the whole INF issue from military realities that American officials barely noticed when the Pershing II failed its early flight tests. Talbott quotes Richard

Burt, an assistant secretary of State, as telling his staff members, "We don't care if the goddamn things work or not. . . . After all, that doesn't matter unless there's a war. What we care about is getting them in."

The reason Burt and others cared about getting the Pershings in was that the SS-20s had created a symbolic and psychological problem. During the late 1970s, as Western Europeans watched the SS-20s arrive and saw the Soviet Union reach nuclear parity with the United States, Helmut Schmidt, of Germany, and other leaders began complaining that the United States might become "decoupled" from Western Europe. That is, it might stand by as the Soviets used their new missiles and their thousands of tanks to intimidate the Europeans, since the Americans' only alternative to standing by would be to launch an all-out nuclear war. Moreover, the Europeans noticed that certain protocols to the SALT II treaty would have restricted NATO weapons deployed in Europe (specifically cruise missiles), not merely weapons in the United States and the USSR. This was soon worked up into another source of strain in the alliance. So as a demonstration of Allied solidarity and a vaccine against decoupling, the Carter Administration agreed in 1979 to the "two-track plan." On one track the United States would deploy its Pershing II ballistic missiles and Tomahawk cruise missiles in Western Europe; on the other it would negotiate with the Russians about removing both sides' "intermediate-range" nuclear weapons from Europe. The Reagan Administration promised to proceed along both

tracks, saying that once the American missiles were deployed, the Soviets would have no choice but to agree to remove their SS-20s.

Five years later the Pershings and Tomahawks are going in, more SS-20s are arriving, and the negotiations have been adjourned *sine die*. The collapse of the negotiations was an extremely complex process, to which Talbott devotes more than 200 pages, but it turned on two great disagreements. The first was inside the American government, and it concerned what the United States really hoped to gain. A faction led by Richard Burt was mainly interested in getting the Pershings into the ground, as a demonstration that NATO had the will to carry out one of the few difficult decisions it had made. This group wanted the negotiations to continue, mainly because it would put a damper on the European peace groups that opposed the NATO deployments.

The opposing faction was led by Richard Perle, an assistant secretary of Defense whom Talbott depicts as having exercised more influence over arms-control policy than any other member of the Administration, including the President. On the organization chart Perle's position may have looked weak; but he worked for a boss, Caspar Weinberger, who was innocent of the details of nuclear policy, was influential with the President, and was susceptible to Perle's skillful manipulation. Perle eventually established his view as the Pentagon's position in intra-government negotiations. To Perle, removing all the SS-20s was the only thing that really mattered; and if that could not be accomplished, there was no point in seeming to be reasonable or offering compromises so as to keep the negotiations limping along.

THE OTHER CONFRONTATION WAS between the Soviet Union and the United States, and it involved the legitimacy of the Pershings. The Soviets rejected any proposal that allowed even one Pershing to be deployed; the United States replied that the only way the Soviets could avoid the Pershings would be to remove all the SS-20s. Paul Nitze, the venerable American negotiator, worked out with Yuli Kvitsinsky, his Soviet counterpart, a compromise plan, which would have left a small number of each side's missiles in place. When word got back to Washington and Moscow, the two governments competed to see who could repudiate the plan first.

Another leftover from the Carter years was the SALT II treaty, which the U.S. Senate had never ratified and which Reagan had denounced during the 1980 campaign. The Administration's replacement for SALT, the Strategic Arms Limitation Talks, was START, the Strategic Arms *Reduction* Talks. The difference in nomenclature reflected the conservatives' belief that if American negotiators could be as tough and patient as their adversaries, they could persuade the Soviets to lay down their arms.

It took the Administration almost a year and a half to come up with a START proposal; now, two years after that, the START negotiations, like those on intermediate-range weapons, have been called off, even though the President made election-year overtures about resuming negotiations. As Talbott describes it, the proposals were undone by the two nations' very different concepts of nuclear "security."

The United States has built its nuclear force on the principle of safety through diversification: more of America's nuclear warheads are aboard submarines or bombers than atop Minuteman missiles in their underground silos. The Soviet Union, for reasons of its own, has done the opposite. Most of its nuclear weapons are concentrated on large, multiple-warhead land-based missiles, including the monster SS-18. From the American perspective the Soviet decision is bad for everyone. It is threatening to the United States, since the more-accurate land-based missiles might hypothetically be used in a surprise attack, and it is foolish even for the Russians, since it makes their forces more vulnerable than, say, submarine-based forces to an American attack.

The ultimate ambition of START, then, was to nudge the Soviets toward a force structure that Americans considered safer and more sensible—one that resembled our own. Unfortunately, when this idea was reduced to a specific proposal, the Soviets found it deficient in "negotiability." The Soviet Union, notorious for refusing to discard weapons even when they were obsolete and broken, was being asked to dismantle the missiles that were the pride of its strategic rocket forces. In exchange, the United States was offering to sacrifice its MX-missile system, which did not yet exist and was so unpopular that it might never be built. Talbott quotes Walter Slocombe, a Democratic arms-control expert, as saying that such a START pro-

posal was actually too timid: "Any administration that thinks it can get the Soviets to take down two-thirds or more of their most modern and powerful missiles should also be asking for the restoration of the Romanov monarchy and the establishment of Judaism as the state religion."

ALONG WITH HIS conceptual assessment of the START and INF negotiations, Talbott offers an amazing amount of inside information about policy battles within the American government. Talbott asks us to take it all on faith—he writes in an omniscient tone and provides few source notes and little in the way of attribution—but it is obvious that he has been checking in with several of the major participants throughout the past four years. In most cases he has resisted the temptation to repay his sources by flattering them. For example, one strain of internal evidence points to Richard Burt as a principal source of information, yet Burt comes across as that standard Washington figure, the clever but graspingly ambitious young placeman who is loyal primarily to his own career.

Indeed, with the exception of Paul Nitze, the one person in the Administration whom Talbott seems to view as wise, this is a gallery of unsavory characters. Edward Rowny, the START negotiator, is presented as a reckless stumblebum. Eugene Rostow, Reagan's first director of the Arms Control and Disarmament Agency, is described as delivering endless dissertations on geopolitics that drive everyone else crazy. Nearly every page of the book contains an anecdote from the continuing struggle between "the two Richards," Burt and Perle. At one point Perle bullies the Joint Chiefs of Staff into siding with him against Burt by threatening to bargain away their cherished bombers at the INF negotiations. Talbott obviously disagrees with Perle's strategic views, but he presents Perle as a curiously principled figure, willing to deceive, threaten, or disrupt in order to advance the cause that is dear to him. In that sense Perle is the one American who behaves like a Soviet negotiator.

The most significant portrait is probably that of the President himself. By now everyone has heard that Ronald Reagan is not a detail man, but Talbott provides so many illustrations of his ignorance and his torpor as to raise uncomfortable, nonpartisan questions about who has really been in charge these past



NATURAL WONDERS OF SOUTH AMERICA

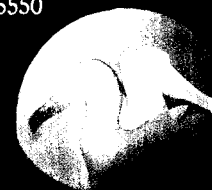
ALAPAGOS, ANDES, AMAZON

Explore the longest continuous mountain chain in the world, the Andes; the largest wilderness area on earth, the Amazon; and the source of Darwin's inspiration, the Galapagos Islands. This expedition contrasts these unique environments providing the nature enthusiast with an unequalled opportunity to observe an overwhelming spectrum of unusual and exotic wildlife.

22 days all inclusive
from Miami

For more information and free brochure call
TOLL FREE

Suite 104, 1776 Independence Court
Birmingham, Alabama 35216
(205) 870-5550



INTERNATIONAL EXPEDITIONS INC.

 **AeroPeru**



Educational
programs
available

AFRICA

NATURAL WONDERS OF KENYA

The acacia-dotted Serengeti plains, the majestic peaks of Mt. Kenya, the awesome escarpments and flamingo-fringed soda lakes of the Great Rift Valley are but a few of the spectacles that create the magnificence of Kenya. The feeling of the tented camp immersed in the open air and sounds of the wild creates a genuine safari atmosphere never to be forgotten.

Monthly Departures

\$2695 21 days all inclusive
from New York

For more information and free brochure call
TOLL FREE

1-800-633-4734

Suite 104, 1776 Independence Court
Birmingham, Alabama 35216
205/870-5550



INTERNATIONAL EXPEDITIONS INC

AIR FRANCE

few years. Virtually alone among the members of his Administration, the President seemed not to grasp that the balance between SS-20s and Pershings was of symbolic, not military, importance. To the stupefaction of military officials, Europeans, and anyone else who understood that the United States already has many thousands of nuclear weapons dedicated to European defense, the President went on claiming in public that if the Pershings were not deployed, "we would not have any deterrent force on our side." It was only after he had spent a couple of years in office, given many speeches about arms control, and endorsed the basic negotiating decisions that Reagan learned that the Soviets place most of their weapons on land-based missiles instead of on submarines. This elementary fact, of course, helps explain why the Soviets thought that his START proposal, with its tight restrictions on land-based missiles, was so one-sided. According to Talbott, the President did nothing to control the tensions that raged within his Administration, largely because he was unaware of them. He was uninterested in the substance of arms control and could be roused only by the prospect of delivering a speech. He so fully believed his own arguments about the tonic effects of an arms buildup as to expect the Soviets to come running to the bargaining table, now that they had seen America standing tall.

At a hundred points in his narrative Talbott shows the Administration closing the door on arms-control agreements, either deliberately or through sheer ineptitude. At the end of his book he introduces a group of arms-control experts from outside the Administration who came up with a variety of more "negotiable" proposals as substitutes for START. Talbott implies that useful agreements might have been reached if a different set of ideas and personalities had been on the American team.

But all of his preceding pages carry the opposite message. Yes, there is a difference between people who hope that negotiations will succeed and those, such as several in Talbott's book, who explicitly wish that they will fail. Yes, it is better for politicians to grasp the technical aspects of arms control than to remain ignorant of the essentials. And yes, there are arenas of potential competition, such as outer space, where negotiations might forestall a risky, costly arms race.

Yet the buried message of *Deadly Gambits* is that in the main arena, the strategic balance in which two nations confront each other with tens of thousands of nuclear warheads, arms control may not have much more to contribute. Each side has its own rigid idea of what constitutes security. Neither is willing to give up whatever advantages it has obtained. The Soviet Union has already developed, paid for, and deployed its SS-18s and SS-20s. Why should it trade them away for the hypothetical MXs and Pershings? The United States builds better cruise missiles and satellites. Why should it call off the competition in the very areas where it is ahead? The Soviets seem sure to catch up in cruise missiles eventually, as they did in multiple-warhead technology. When they do catch up, cruise missiles will look, from the American perspective, like yet another source of worry, instead of a bastion of American strength. There are enough chess players and strategists on each side to understand where the game is leading, yet neither is able to relax its obstinacy for a moment. The compromise that seemed reasonable to Paul Nitze and Yuli Kvitsinsky was thumpingly rejected by both governments.

As the world keeps hurling similar discouraging illustrations in their faces, the staunchest advocates of arms control have fallen back on one last argument to explain the necessity of their efforts. Surely on matters of life and death in the nuclear age, if on no other issues, two great but hostile powers can see their shared self-interest in surviving. Therefore we must not falter in our quest for arms control, as a step toward a safer world. Yet the lesson I drew from *Deadly Gambits* is that when the hostility is great enough, the areas of agreement dwindle away to meaninglessness, and do not help build larger bridges of understanding. Would an arms-control treaty have stopped Hitler? None of the agreements signed after Versailles did—nor, on Talbott's evidence, will the SALT and START and INF plans prevent catastrophic destruction if the United States and the USSR fail to resolve their growing differences diplomatically. The failure of arms-control negotiations is a symptom, not the cause, of the worsening relations between the superpowers. When negotiations fail, we should worry not whether our leaders are serious about arms control but rather whether they are "serious about diplomacy" or "serious about peace." □

THE COST OF SERVITUDE

BY EUGENE D. GENOVESE

SLAVERY AND HUMAN PROGRESS
by David Brion Davis.
Oxford University Press, \$25.00.

Throughout history some men and women have lived off the work of others, usually many others. Some men and women continue to do so. Throughout history some men and women have owned outright—have enslaved—those whose work supports them. They no longer do so, although this infamy continued until recent decades. And throughout history those who have enslaved others have insisted that they have been acting on behalf of society, of civilization, of culture, of truth and beauty. In some times and places, especially ancient times and places, they may have had a point. Without slavery or some other form of servitude to produce an economic surplus, how could ruling classes with the leisure to create art, science, and statecraft have arisen? Has not the advancement of civilization—of “progress,” however defined—depended upon chaining down the masses? The scholarly debates continue to rage, and their moral implications still generate heat.

For familiar and understandable reasons Americans tend to regard slavery as our nation's special sin. In old plantation days the white folks knew better. So, in fact, did the black folks, although they judged the matter differently. Both groups knew that slavery had appeared early in the career of the human race. They knew because the Bible told them so. The slaveholders proudly insisted that God had ordained their ownership of human beings in order to provide the basis for the superior civilization they were building. And the American slaveholders embellished their argument with a touch that probably would have made the Greeks and Romans smile: slavery was all for the slaves' own good. Direct ownership of human beings guaranteed laborers security and a modest

degree of comfort, whereas indirect control, as in the relations of capitalists to wage-laborers, guaranteed insecurity, misery, and disorder.

Society loomed as the family writ large, for the family rested on the subordination of women and children to the male head of the household—a subordination that the redoubtable polemicist Louisa McCord, of Charleston, defiantly acknowledged to be a form of slavery, and as such natural, proper, and inescapable. This grand conservative vision was not, as is often asserted, restricted to a few extremists and armchair theorists. The widely influential Southern theologians, for example, militantly defended slavery in numerous sermons, pamphlets, and books as both ordained by God and historically ubiquitous.

The abolitionists did not have an easy time of it, even though they were cutting and physically courageous on the attack. Their ultimate argument—that the enslavement of blacks by whites was an abomination—did them honor. But their simple faith in freedom as the guarantor of material as well as moral well-being went down hard among brutally exploited factory workers in Manchester, miners in Scotland, dockhands in New York. Our black chattel, the slaveholders thundered at the abolitionists, are better fed and housed and have more leisure time than your miserable white wage-slaves, not to mention the wretched peasants across the continent of Europe. Exaggerations and qualifications notwithstanding, the slaveholders were telling the truth. Most abolitionists, bourgeois to the core, did not want to hear it. Just as well: they fought heroically for the emancipation of the blacks, and whatever some historians may say, they contributed mightily to the outcome of the struggle. Had God opened their eyes to the suffering of their own people, they might well have lost heart in their cause, and there is no reason to believe that if they had they would have compensated by lifting a finger for those wage-slaves. As for the blacks, they regarded the slaveholders' claims, true or not, as beside the point. They had their own truth, which admitted no comparisons and no qualifiers: they wanted to be free.

In those war-inspiring arguments over slavery, “progress” was a big word. However much the pro-slavery theorists deplored the modern world, with its illusory freedoms and attendant isms (atheism, anarchism, communism, red republicanism, bloomerism . . .), they

Eugene D. Genovese's most recent book, co-authored with Elizabeth Fox-Genovese, is *Fruits of Merchant Capital: Slavery and Bourgeois Property in the Rise and Expansion of Capitalism*.

DECEMBER 1984



Educational
programs
available

AMAZON

JUNGLES OF PERU

Its sheer immensity, abundance of fauna and flora, its beauty and tranquility make this last frontier a haven for the nature lover. Representing the world's greatest wilderness area, the Amazon possesses more species of plants and animals than any place on earth. You will feel a sense of adventure while exploring the natural and cultural history of nature's greatest spectacle—the AMAZON.

Monthly Departures

\$1198 8 days all inclusive
From Miami

For more information and free brochure call
TOLL FREE

1-800-633-4734

Suite 104, 1776 Independence Court
Birmingham, Alabama 35216
205/870-5550



INTERNATIONAL EXPEDITIONS INC

Discover the World's Greatest Wilderness

remained children of the Enlightenment and devotees of the benefits that the despised new social order was producing.

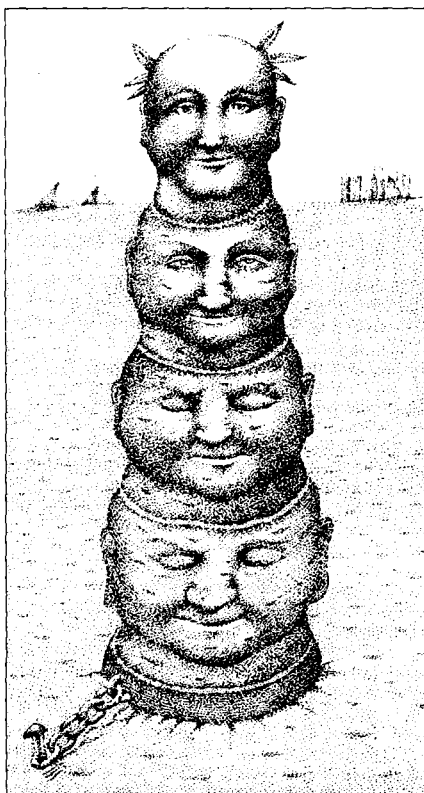
David Brion Davis, Sterling Professor of History at Yale and probably the foremost general historian of slavery's role in Western civilization, offers this characteristically well-written book as a supplement to a monumental three-volume work, two volumes of which have appeared (the third is on the way). *Slavery and Human Progress*, which stands on its own, is primarily concerned with how slavery was perceived in different epochs and places in relation to notions of "progress," which Davis wisely declines to define closely and toward which he displays a healthy skepticism.

Davis describes his book as a study of "the momentous shift from 'progressive' enslavement to 'progressive' emancipation." That is, throughout history slaveholders justified their ownership of human beings as necessary for the progress of the whole human race, until in modern times they found themselves laid low by those who raised that very banner of progress against them. Right down to modern times the slaveholders found sympathizers and allies everywhere, for wherever slave labor was applied to production it was used to produce marketable commodities. Davis observes that slave labor often supplemented other forms of coerced and even nominally free labor, but only rarely dominated the economic system, thereby providing the basis for a slave society. Yet the historic link between slavery and ideas of progress was forged precisely where slaves were seen to provide the economic basis for the leisured classes.

As a social system, capitalism rose on the principle of freedom of labor, and capitalism's essential ideology proclaimed the right of everyone to property in himself and (if inconsistently) in herself. Yet capitalism advanced by subjecting those outside its core societies to slavery and other forms of dependency. The doctrine of progress, which the bourgeoisie raised to the status of a religion and incorporated into its theologies, was invoked to resolve the contradiction, but it never quite did the job. Supposedly, moral, political, and economic progress were of a piece and arose precisely from the extension of human freedom. But in reality the product and profits of the slave trade and the slave plantations continued to contribute enormously to material progress.

In time bourgeois theory would condemn slavery as a fetter on moral and material progress. By the second quarter of the nineteenth century the slaveholders, themselves committed to progress and aware that their system was paying a good part of the bill for what others called progress, found themselves on the defensive, accused of sustaining a vast, immoral, reactionary bulwark against every kind of social and individual improvement.

Davis's erudite analysis of the complexities of the ideological transformation resists brief summary, but it traces the emergence of abolitionism and its



historically new reading of the relation of slavery to progress. Davis is especially good on the critical contribution of religious thought to secular thought, identifying the unity-in-diversity of a conquering, revolutionary world view. He deserves special praise for his discussion of the notion that if only men were thrown on their own resources, they would internalize the bourgeois work ethic, seek to "better themselves" through useful labor in the marketplace, and become willing contributors to human progress through the production of commodities. As Davis shows, wherever the blacks were freed or they freed themselves, they demonstrated a will of their own, which usually resulted in at-

tempts to create self-sufficient peasantries rather than commodity-producing proletariats. Hence they disappointed most of their white champions, much as other emancipated servile classes, such as those in Europe, disappointed theirs. Davis skillfully chronicles the ghastly consequences, which included renewed and ever more ferocious racism and powerful ideological support for the murderous imperialism of the late nineteenth century.

Davis does engage in a certain amount of fudging. He remains curiously imprisoned by the evidence that slavery engendered high rates of economic growth at home and abroad. His fondness for paradox and irony leads him to hint that the abolitionists may have been wrong to consider the Old South, as well as slaveholding Cuba and Brazil, economically retrogressive and a threat to the new bourgeois world order. The abolitionists, whatever errors their moral fervor led them into, intuitively grasped that distinction between economic growth and economic development which Davis obscures. They did not believe that a slave society could sustain the broad-based industrialization required for steady material progress and national independence, no matter how much capital its growth generated for the world economy. The great Brazilian abolitionist Joaquim Nabuco insisted that the ultimate question concerned political power, and asserted that the slaveholding classes would always use their political power to block industrial development within and outside of their own societies, for it threatened them on all fronts. Nabuco was right.

LET US RETURN to the question of slavery's relation to material and moral progress, but narrow the focus to the modern era and the white enslavement of blacks. The spread of slavery on a vast, racially skewed scale unquestionably contributed to the accumulation of capital and to the expansion of markets, and these developments in turn guaranteed the consolidation of the still-fragile capitalist world system. The extent of that contribution remains in dispute, and the notion that capitalism could not have developed without slavery remains far from compelling. The material costs of this moral catastrophe, especially to a society that espoused individual freedom, defy measurement. The "rending" of the world by imperialist whites, which the slave trade and slavery did so

Subscribe to the newsmagazine for independent thinkers.

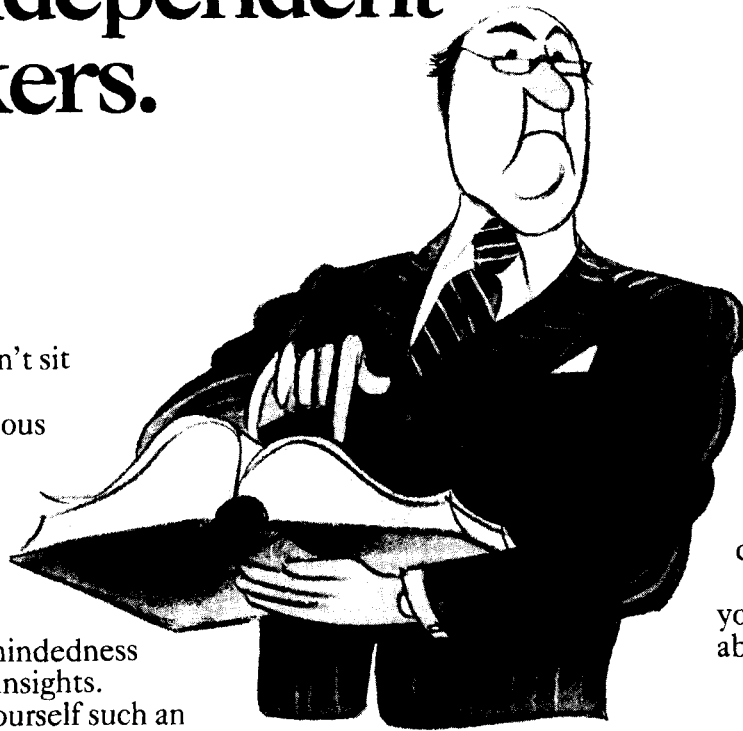
Some people won't sit still for everyday answers and obvious solutions.

They challenge the "facts". Have contrary opinions. Are known for their tough-mindedness and uncommon insights.

If you fancy yourself such an independent thinker, we invite you to subscribe to U.S. News & World Report.

U.S. News is packed with hard truths, solid evidence and informed commentary. That's why, in poll after poll, U.S. News is consistently rated highest among the newsmagazines for accuracy, authority and objectivity.

U.S. News delivers almost 1,000 more news pages a year than either Time or Newsweek. Plus five timely, informative newsletters in every issue. Pro-con debates on controversial issues that concern you. And



practical personal guidance you won't find in any other newsweekly.

From U.S. News, independent thinkers like you get all the background they need to support their challenges and to form their own sturdy opinions.

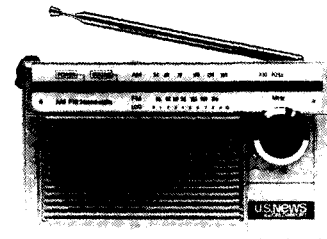
Subscribe and sample the U.S. News difference. If you like what you read, save 55% and get an AM/FM radio free.

Just clip and mail the coupon below and we'll enter an introductory subscription in your

name for 25 weekly issues.

If you agree that U.S. News satisfies your need to know, pay our invoice for only \$19.50* and save over \$24 off the single-copy price.

With your paid subscription, you'll receive an AM/FM radio absolutely free.



Portable, with a telescopic aerial for added reception, your elegantly-designed radio comes with carrying strap, batteries and an earphone for private listening.

Accept your free radio with our compliments and keep up with the late-breaking news stories. Then find out what it all means to you in the pages of U.S. News & World Report.



*basic rate

☐ YES, start my issues coming!

Enter a subscription in my name for 25 weekly issues of U.S. News & World Report.

If I like what I read, I'll pay only \$19.50*, a saving of 55% off the single-copy price and I'll receive an AM/FM radio free!

If I'm at all disappointed, I'll write "cancel" on your bill and return it to you with no further obligation.

56AA9

Name (please print) _____

Address _____

City _____

State _____

Apt. _____

Zip _____

☐ Payment enclosed

☐ Bill me

Mail to:
U.S. News & World Report
Subscription Department
P.O. Box 2629
Boulder, CO 80322

"Those who cannot remember the past are condemned to repeat it."

—George Santayana

First it was Truman and Korea. Then LBJ in Vietnam. Two Asian wars with striking parallels not only by themselves, but fascinating in light of recent developments in Lebanon and Central America.

"The parallels, large and small...are explored for the first time in this solid narrative." —*Publishers Weekly*

"The one lesson Presidents and would-be Presidents should study first."

—Hugh Sidey, Contributing Editor, *Time*

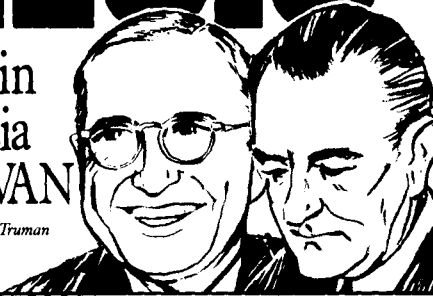
"In the future, anyone who wishes to trace the tangled web of the two conflicts that shaped modern times will have to begin with this book." —George E. Reedy, Nieman Professor of Journalism and Press Secretary to President Lyndon B. Johnson

NEMESIS

Truman and Johnson in the Coils of War in Asia
by ROBERT J. DONOVAN

Author of *Tumultuous Years: The Presidency of Harry S. Truman*

ST. MARTIN'S/MAREK

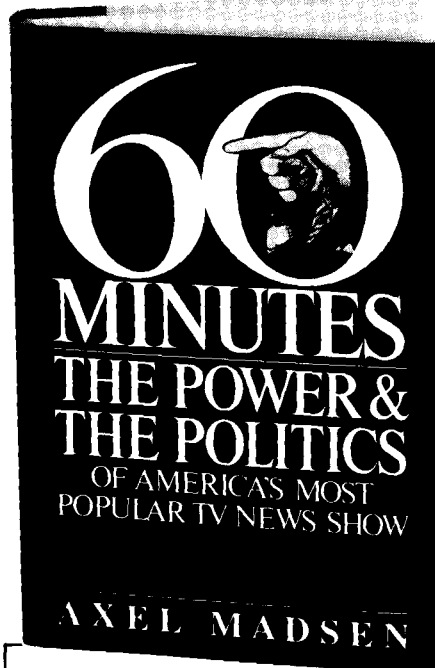


much to facilitate, has lived on to plague our own times more than any other issue except the threat of nuclear destruction, to which it is related. Still, in real history, the enslavement of blacks and its results propelled the development of capitalist social relations and subsequently of capitalist industrialization.

Simultaneously, slavery extruded new ruling classes with material interests, moral sensibilities, and social values that in time presented formidable dangers to the transatlantic bourgeoisie. The slaveholding classes, especially the class that dominated the Old South, had some remarkable, even admirable, qualities, but their warmest admirers could not make a case that they were in the vanguard of art, science, or material or moral progress. In time the slaveholders had to go, not because of an abstraction, such as an inexorable economic process or moral revulsion or a clash of social values, but because they could not continue to coexist with the new ruling classes at the heart of capitalism.

In this wide-ranging book Davis permits himself digressions and set pieces, which for the most part he puts to salutary effect. Thus, though his account of the Jews as slaveholders could have been omitted without weakening the main argument, it does offer some good reading. And, more to the point, it demolishes a host of insidious anti-Semitic myths without obscuring the extent to which the Jews committed their share of crimes. Davis also debunks, without ideological special pleading, another set of myths, when he chronicles the extraordinary Moslem contribution to the slave trade and the extent to which the Moslems prepared the way for subsequent Christian enormities. He ends the book with a glance at the persistence of slavery in the early twentieth century, when Africans continued to enslave Africans. As he ruefully reminds us, when Il Duce invaded Ethiopia to subjugate its people, he was able to use the excuse of seeking to free the poor Ethiopian slaves, because slavery still existed under the saintly regime of Haile Selassie.

All in all, Davis provides a learned account of the role of slavery in social and economic development from ancient to modern times, and his superior literary ability enables him to cover a great deal of ground in tight, smooth prose. *Slavery and Human Progress* offers the best introduction we have to the extent and significance of slavery in the history of the Western world. □

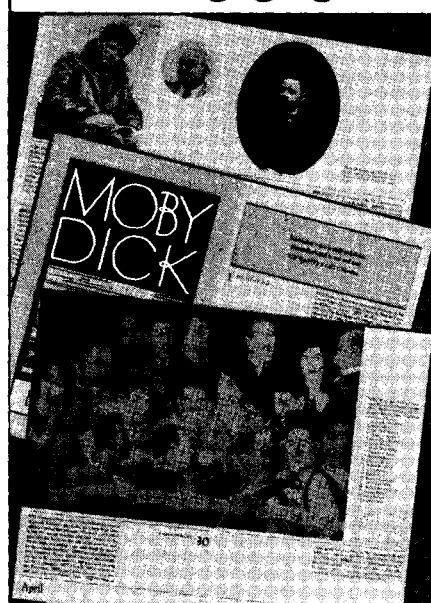


The unauthorized story—
a colorful investigation of
the investigators—how
the stage is set for the good
guy/bad guy shootouts

800-251-4000 (Visa, MC)

DODD MEAD

A most engaging idea!



A BOOK OF DAYS FOR THE LITERARY YEAR

The perfect year-long engagement diary for booklovers... filled with historical literary events, amusing anecdotes and over 200 illustrations (33 in color). \$12.95

THAMES AND HUDSON INC.
500 Fifth Avenue, NY 10110
Distributed by W.W. Norton & Co.

BRIEF REVIEWS



THE FATEFUL ALLIANCE by George F. Kennan. Pantheon, \$19.95. The second volume of Mr. Kennan's masterful history of the European diplomatic strategies that led to the First World War covers the establishment in 1894 of a secret military alliance between France and Russia. This alliance was achieved, after much nervous coquetry by both parties, despite the fact that their respective aims, in the event of actual war, were quite incompatible, while their notions of the effects of a twentieth-century war were inadequate. It was an alliance designed by men clinging to fears and grudges thirty years out of date, and in consequence blind to the political and technological realities of a rapidly changing world. Mr. Kennan describes the highly complicated procedures and influences and interconnections of European states in the 1890s with awe-inspiring clarity and economy. He does not belabor the sinister parallels between that time and our own—he simply makes them inescapably apparent.

BRIGHT LIGHTS, BIG CITY by Jay McInerney. Vintage Books, \$5.95. If the reader does not happen to hold the *clef*, this *roman* is a caustically comic tale of the misfortunes befalling a young man in pursuit of what he conceives to be glamorous success in New York magazine publishing. When he buys an alleged Cartier watch from a street peddler, it is obvious that the fellow's big apple will be full of worms, but they are decidedly amusing worms. The watch leads to the ferret affair, a memorable scene of satirical slapstick.

THE DARK BRAIN OF PIRANESI by Marguerite Yourcenar. Farrar, Straus and Giroux, \$16.95. In these essays Ms. Yourcenar discusses, in addition to Piranesi's eerie architectural fantasies, several late Roman historians, an erratic Huguenot poet, the chateau of Chenonceaux, and the works of Selma Lagerlöf, Constantine Cavafy, and Thomas Mann. She brings to each of these subjects her distinctive and stimulating combination of exact scholarship and subtle historical empathy.

IT WILL CHANGE FOREVER HOW AMERICANS THINK ABOUT OUR WAR AGAINST JAPAN.

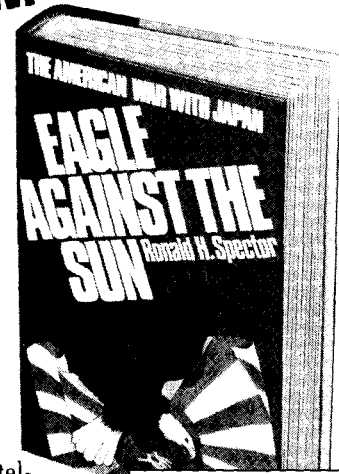
Guadalcanal. Midway. Hiroshima. Until now, momentous events like these dominated our memories—and shaped our understanding—of the conflict with Japan.

But there was much more to know. And now, for the first time, the full story is told: Of flawed leaders and feverish egos; of bureaucratic bungling and battle-worn GIs; of luck and fear and uncommon valor.

Only a respected historian could have written this "best single volume history"* of the Pacific War. And only a gifted storyteller could make it so "vivid."**

Ronald Spector is both. So, his *Eagle Against The Sun*—based on recently declassified intelligence files—electrifies, surprises, provokes. And, above all, fascinates.

*T.H. Trapnell, Lt. Gen., U.S. Army (Ret.) **Michael Howard, Oxford University



A FULL MAIN
SELECTION
OF THE BOOK-
OF-THE-
MONTH CLUB



THE FREE PRESS
A DIVISION OF MACMILLAN, INC.

A SERVANT'S TALE

A Novel by
PAULA FOX
*Author of Desperate
Characters and The
Widow's Children*

Cloth, \$16.50

"To read Paula Fox is to
read a master at work."

MS Magazine

"One of America's best
novelists at her very best."

Shirley Hazzard

NORTH POINT PRESS
850 Talbot Avenue
Berkeley California 94706



FREE

Cabela's
WORLD'S FOREMOST SUPPLIER
FISHING, HUNTING, AND OUTDOOR GEAR



A FULL YEAR'S FREE SUBSCRIPTION
WORLD'S FOREMOST SUPPLIER
FISHING, HUNTING, AND OUTDOOR GEAR

Rods Reels Lures Boating
Rod Building Camping Bows
Hunting Supplies Outdoor Clothing
Footwear Knives Decoys Gifts

100% Satisfaction Guaranteed

☒ Yes, send my FREE SUBSCRIPTION

NAME _____

ADDRESS _____

CITY _____

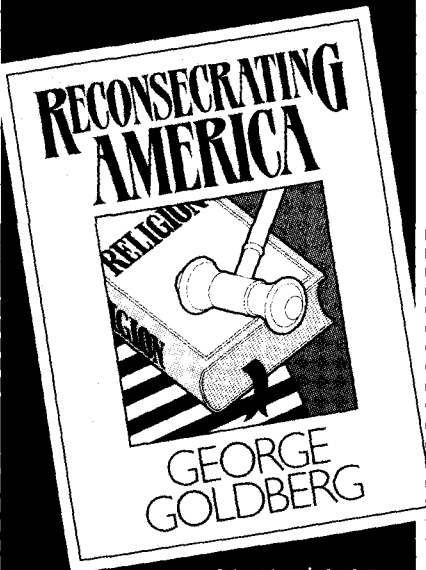
STATE _____ ZIP _____

Cabela's 812-13th Ave. Dept. 858-412
Sidney
Nebraska 69160

"A SPLENDID AND FASCINATING BOOK,

a model of a clear, closely reasoned, lucid, and persuasive analysis of how an activist Supreme Court has perverted the meaning of the First Amendment provisions about religion."

— MILTON FRIEDMAN



Cloth, \$9.95

"A shrewd and useful book."

— C. MICHAEL CURTIS
Senior Editor, *The Atlantic*

"Well written and informative. . . . The book aptly illustrates the conflict between the 'establishment' and 'free exercise' clauses, the inconsistencies in the current law and how they developed through case law over the years, and it provides the reader with a rational and reasonable approach for the future."

—THEODORE M. HESBURGH
President, University
of Notre Dame

At your bookstore, or write:
WM. B. EERDMANS
PUBLISHING CO.
235 JEFFERSON AVE. S.E. GRAND RAPIDS, MICH. 49501

CORPSE IN A GILDED CAGE by Robert Barnard. Scribner's, \$12.95. Mr. Barnard has contrived a mischievously novel version of that classic English genre, the country-house murder. He has also created a thoroughly engaging amateur detective. One hopes to see more of this sleuth.

MISS MANNERS' GUIDE TO REARING PERFECT CHILDREN by Judith Martin. Atheneum, \$19.95. Observe that Miss Manners is offering a "guide" to rearing perfect children, with no guarantee that perfection will be achieved. It never has been, and Miss Manners is far too intelligent to believe that even her advice can accomplish the hitherto impossible. It can, however, if diligently followed, undoubtedly move children, and their parents, closer to the ideal condition. Readers without children to perfect can simply sit back and marvel at the problems presented to Miss Manners by muddle-headed clients, and chortle over her witty, ironic, sensible solutions to social imbroglios.

KARL BODMER'S AMERICA by William H. Goetzmann and William J. Orr, with annotations by David C. Hunt and Marsha V. Gallagher. Joslyn Art Museum & University of Nebraska Press, \$65.00. In the early nineteenth century, European and especially German scholars were much interested in the origins of the various peoples whose existence had been revealed by increasingly extensive global exploration. One of these eo-ethnologists was Prince Maximilian of Wied-Neuwied, a rich amateur who proposed to study the Indians of the American West. He sensibly hired a professional artist to record his subjects, and that artist was Bodmer, a Swiss with some reputation for depicting romantic landscapes and decaying castles on the Rhine. It was an odd choice, but a good one. With no established habits in the drawing of people, Bodmer could draw Indians exactly as they appeared. Maximilian, his hunter-taxidermist, and the twenty-three-year-old Bodmer landed in Boston in July of 1832 and headed west. They were, although they could not have known it, very lucky, for they were ahead of the smallpox epidemic that exterminated the Mandans and of the surge of European settlers that destroyed the society of the Plains Indian tribes. From Omaha to Fort McKenzie, Maximilian's party saw native Americans in their last days of untrammelled glory. Bodmer painted furiously all the way. His portraits

history
Mystery
and in-fo
to go

at your library

American Library Association

NATIONAL WEEKLY EDITION

The Washington Post

Now people outside Washington can be Washington Insiders

Thousands of people all over the country are discovering that you don't have to live in—or near—Washington to become a Washington insider.

The Washington Post's new National Weekly Edition offers the best of The Post's reporting, analysis and opinions on politics, diplomacy, government and economics. The same coverage that informs this nation's leaders.

Short of a daily subscription to The Washington Post, the National Weekly Edition is the best source for in-depth Washington coverage.

And now during our special introductory offer, you can get this important newsweekly for just \$39 a year. To order, complete and mail the coupon to National Weekly Edition, PO Box 37262, Washington, DC 20013.

Post readers in Washington take note: Send this message to a friend. Or, better yet, send a gift subscription. Just call (202) 334-4280.

NATIONAL WEEKLY EDITION

Yes. Please start my subscription to The Washington Post's new National Weekly Edition at the introductory rate of \$39 per year. That's 52 weekly issues at just 75¢ an issue—50% off the \$1.50 cover price.

☐ Check or money order enclosed (payable to the National Weekly Edition)

☐ Please bill me.

74AM02

Name _____

Address _____

City _____ State _____ Zip _____

Please allow 4-6 weeks for delivery of first issue. Mail to:
National Weekly Edition, PO Box 37262, Washington, DC
20013.

The Atlantic Bookstore

Use this coupon to order any book shown here at **20% off** publisher's list price.

Please send me the books ordered below. I have indicated the quantity desired in the box beside each book I wish to receive. Enclosed is my check or the necessary credit card information. With an order of 3 or more books, receive FREE an Atlantic tote bag. (Please allow 3 to 4 weeks for delivery.)

	LIST PRICE PER BOOK	YOU PAY PER BOOK
☐ A BOOK OF DAYS FOR THE LITERARY YEAR	\$12.95	\$10.35
☐ EAGLE AGAINST THE SUN, Ronald H. Spector	\$24.95	\$19.95
☐ THE GOOD WAR, Studs Terkel	\$19.95	\$15.95
☐ JEFFERSON, Thomas Jefferson	\$30.00	\$24.00
☐ NEMESIS, Robert Donovan	\$14.95	\$11.95
☐ AN ORDINARY MARRIAGE, Harriet Robey	\$14.95	\$11.95
☐ QUIET NEIGHBORS (hardbound), Allan A. Ryan, Jr.	\$15.95	\$12.75
☐ RECONSECRATING AMERICA, George Goldberg	\$ 9.95	\$ 7.95
☐ A SERVANT'S TALE, Paula Fox	\$16.50	\$13.20
☐ 60 MINUTES, Axel Madsen	\$16.95	\$13.55

☐ TOTAL BOOKS \$ ____
 Mass. Residents add 5% tax
 Postage & Handling 2.00

TOTAL AMOUNT ENCLOSED \$ ____

☐ Check ☐ Visa ☐ MC

Credit Card # _____ Exp. Date _____

Signature _____

Name _____

Address _____

City _____ State _____ Zip _____

Send to: The Atlantic Bookstore, 8 Arlington Street, Boston, MA 02116
 For more information on these titles, please see pages 130, 132, 133, 136, 144, 145, and 146.

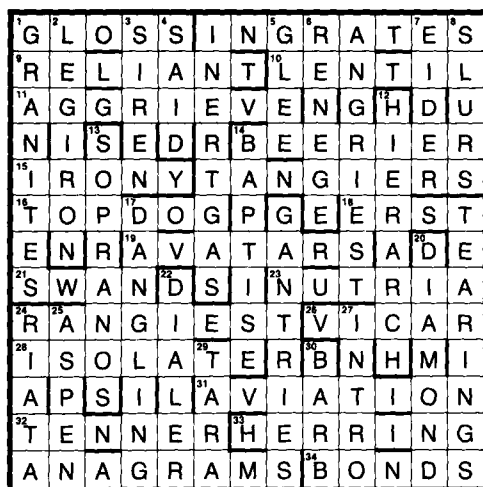
of individual Indians and his meticulous renderings of Indian artifacts have been reproduced many times in many books, for Bodmer and his contemporary Catlin provide the only visual records of the period. Bodmer's landscapes have been neglected, and one of the pleasures offered by this beautiful, and well-written, presentation of his entire American work is the view of the country as he saw it. He was a superbly accomplished water-colorist, able to reconcile his own aesthetic and emotional purposes with his employer's demand for literal accuracy, and his reputation survives on the painting he did during his two years along the Missouri.

DIGS by Bette Pesetsky. Knopf, \$14.95. Ms. Pesetsky's new novel concerns a thoroughly urban couple who, middle-aged and unexpectedly affluent, buy a house in the country. There the husband is stricken with archaeological fever and digs up the back yard searching for remains of an earlier house on the property. That the earlier house is in fact not worth the finding is a fact that deters Walter not at all but drives his wife, Sara, to a frenzy of artistic creativity. Local scalawags, random rubber-neckers, and the couple's grown sons caper on the fringes of the excavation. The book contains neat touches of social satire but is, in the end, disappointing, because the bizarre doings of the characters constantly promise, or at least imply, that a point of some significance lies ahead. No such point is ever reached.

THE SKETCHBOOKS OF HIROSHIGE with introduction and commentaries by Sherman E. Lee. Braziller, \$45.00. In 1905 Crosby Stuart Noyes, the editor and publisher of the *Washington Star*, presented a collection of Japanese "pictures, engravings, illustrated books, etc." to the Library of Congress, recommending the works for (among other merits) "subtle fineness of touch contrasted with bold directness of method," a description of Japanese brushwork that could hardly be bettered. The collection included two albums of drawings attributed to the great Ando Hiroshige (1797-1858), and it is mildly surprising that these delightfully fluid and expressive sketches of landscapes, legendary characters, and just plain people have never before been published in their entirety. They are, happily, now available—two volumes, boxed, accordion-paged in proper Japanese fashion, and accompanied by a tersely useful essay and notes.

—Phoebe-Lou Adams

Answers
to the
November
Puzzler,
"PARTY OF
EIGHT"



Eight unclued entries are anagrams: ingrates, Tangiers, rangiest, granites, inert gas, gantries, angriest, tearings.

Across. 1. GLOSS 9. R(ELI)ANT 10. LENT-I-L 11. AGGRIEVE (anag.) 14. B-EER-IER 15. I(R)-O-NY 16. TOP DOG (rev.) 18. ERST (anag.) 19. A-VA-TAR'S 21. S-WAN 23. NUTRIA (anag.) 26. V(I)-CAR 28. I-S(O)LATE 31. AV(I-AT-I)ON 32. TEN-NER (homophone) 33. H-ERRING 34. BOND'S Down. 2. LEG-I(R)ON 3. SIREN (anag.) 4. SA(I)D 5. G-LEE 6. RENEGE (hidden rev.) 7. EI-DER (rev.) 8. S(L)URS (anag. + L) 12. HI-ERAR-CH (rare rev.) 13. SO-P-RANOS (sonar rev.) 14. BAP-TISE (anag.) 17. D-ANGLING 20. D(I-AM)ON-D 22. DIALER (rev.) 24. RIATA (anag.) 25. AS-PEN 27. INTRO (hidden) 29. TAR-A (rev.) 30. BAR-B

ATLANTIC CLASSIFIED

CLASSIFIED INFORMATION

THE ATLANTIC is represented exclusively by Russell Johns Associates, Ltd. for classified advertising. The classified rates are \$2.75 per word (minimum ad 15 words), and \$250.00 per column inch for classified display (minimum ad one inch). Three-time rates are available on request. Direct inquiries, classified advertising copy and payments to: *The Atlantic*, P.O. Box 1510, Clearwater, FL 33517. Telephone: toll free (800) 237-9851; in Florida (813) 443-7666.

ART

DON'T BUY ART YET! Internationally recognized art consultant (13 years with the Boston Museum of Fine Arts) can save you thousands of dollars in both time and money! World-wide contacts. Write for details. Ask for reprints from the Christian Science Monitor and Connoisseur. Curator, Box 1200-A, Boston, MA 02117.

BOOKS

PUBLISH YOUR BOOK! Join our successful authors. Publicity, advertising, beautiful books. All subjects invited. Send for fact-filled booklet and free manuscript report. Carlton Press, Department YKX, 11 West 32 Street, New York 10001.

REALITY INSPECTOR. Unusual mystery story. Computers, chess, consciousness. Opens doors to new ideas. \$5.00. John Caris, 56 Westgate, San Francisco, CA 94127.

PUBLISHERS' OVERSTOCKS

All publishers — all subjects: art, history, biography, fiction and much more. The most complete catalog of bargain books available anywhere! Write for your FREE copy
Hamilton, Box 15-C, Falls Village, CT 06031

HUNTING FOR A BOOK? We will find it. Free search service. Georgia B. Haxton, P.O. Box 503, Perry, OK 73077.

SICK OF MATERIALISM, waste and greed? Join network developing positive alternatives. Write: Moderation Publishing Box 741955, Dallas, TX 75374.

ELECTRICAL BOOKS, television, marine, automotive repair. Methods, formulas, etc. Books in Spanish. Libros en Espanol Box 248, Manchester, MA 01944.

BUSINESS OPPORTUNITIES

IMPORT-EXPORT OPPORTUNITY. Profitable, world-wide mail order business from home without capital. We ship plan for no-risk examination. Experience unnecessary. Free report. Mellinger, Department M108C, Woodland Hills, CA 91367.

Arab businessmen have money to buy and invest. Top finders fee paid. International Middle East Associates, 1284A1, 8291 Flaxman, Huntington Beach, CA 92646.

EDUCATION

UNIVERSITY DEGREES without classes. Bachelor's, master's, doctorate. Accredited, inexpensive, fast. Dr. John Bear, P.O. Box 11447-AT12, Marina del Rey, CA 90295.

"CASH FOR COLLEGE" New directory describes 400 loan, grant, scholarship opportunities, plus all government programs. \$4.95. Unifunds, Box 19749-YZ, Indianapolis, IN 46219.

Audio-cassette/book courses
in Arabic, Hebrew, Chinese,
French, German, Spanish,
Greek, Japanese
and 32 others.
Comprehensive Used
by U.S. State Dept. Free 1984 catalog. Write:
AUDIO-FORUM® Dept. 136
Guilford, CT 06437

TESTS DON'T ALWAYS TELL how smart you are! Do you want to be smarter? What are you doing to make your children smarter? SOI booklets used in every state are making gifted students better at problem-solving and logical thinking. Their grades improve, they score higher on tests; they are becoming more creative. Your children should have the same intellectual advantages. A packet of SOI (structure of intellect) modules can be used as fun homework to develop better thinking. Software available in six months. \$22.95 a set. State age or ages. SOI Systems, 343 Richmond, El Segundo, CA 90245. (213) 322-5532

EMPLOYMENT OPPORTUNITIES

AUSTRALIA WANTS YOU. Jobs, big pay, transportation. New handbook (including employer directory): \$2.00. Australian International, Box 19107-YZ, Washington, DC 20036.

OVERSEAS OPPORTUNITIES. Transportation, complete information, plus directory of 200 companies employing thousands worldwide: \$3.00. Opportunities, Box 19749-YZ, Indianapolis, IN 46219.

AUSTRALIA—OPENINGS NOW! Top pay, tax free, all occupations. Transportation plus worldwide listings: \$1.00. Job-world, Box 681-AT, Cypress, CA 90630.

RESUMES. Write your own dynamic resume and save hundreds of dollars. Exclusive, copyrighted instructions guarantee professional results. Bonus included. \$4.95 to: Success Series, Abingdon Publishing Co., P.O. 11044, Dept. J, Knoxville, TN 37939.

WANTED—Assistant director to succeed to the full leadership of an 80-year-old boy's summer camp. Emphasis on simplicity and ruggedness. No electric gadgets or motor boats on our own 40-acre, private, spring-fed lake in northern Pennsylvania's Endless Mountains near the New York border. Write: Camp Choconut, Friendsville, PA 18818.

FINANCIAL PLANNING

GOLD AND SILVER STOCKS in North America worth knowing. Our track record speaks for itself. Ask us for our past recommendations along with what we are now recommending. Call or write: Angelo P. Comi, P. Eng., Daniel Farrell, Geologist B.Sc., Merit Investment Corp., 155 University Avenue, Toronto, Canada M5H 2Z5. (416) 867-6110.

GIFTS

YOUNG WRITERS' CLUB catalog. Gifts for intelligent children, 7-14. Young Writers' Club, Dept. B2, P.O. Box 216, Newburyport, MA 01950.

HEALTH

SINUS MISERY. Discover our exciting product which brings amazing relief. Send SASE for details. Liberty House Crafts, Box 03146, Chesapeake, VA 23325.

HOME FURNISHINGS

CALL TOLL-FREE for quotations on major furniture brands. Discount prices. Shipping arranged. (800) 334-7347. Sisk Discount Furniture, Box 204B, Southern Pines, NC 28387.

LITERARY INTERESTS

BOOK PRINTING. Quality work, low cost. Offset or typeset, paperbacks or hard covers. Free catalog and price list. Adams Press, Department AA, 30 West Washington, Chicago, IL 60602.

PERFECT GIFT: book collectors' newsletter. Gift card/bookmark sent in advance. Send long SASE for sample and special holiday rates. Bookery, Box 40247, Rochester, NY 14604.

SEARCH AND RESEARCH SERVICE access to British libraries/archives for the overseas researcher. Write: BCM, Box 1555, London WC1N 3XX, England.

WRITING/RESEARCH SERVICES. Legitimate nontraditional college degrees by correspondence. Dissertation, thesis editing, statistics. Mid-career counseling and development. Writers Unlimited, Box 60185, Washington, DC 20039. (202) 723-1715.

MERCHANDISE

"I ♥ OWLS" bumper sticker. Send \$1.00 postage/handling. The Owl's Nest, Box 5491(TA), Fresno, CA 93755.

CATV CONVERTERS, scanners and radar detectors. For catalog, send \$1.00 to: Great Lakes Communications, Inc., 0-2026 Chicago Drive, Jenison, MI 49428.

**FINE
HAND-CRAFTED
GARDENING KNIFE**

\$20 postpaid including
Alaska & Hawaii

WONDERFUL CHRISTMAS GIFT. Trims, cuts, edges & more.
The Jay-Bird Hand Knife—an indispensable tool. For garden,
camp, nursery, flower bed.

THE JIMSON CO.
1000-A Bayou Sale Road, Centerville, LA 70522

MERCHANDISE

UNITED SOCIETY OF SHAKERS HERBS & TEAS. In attractive, reusable tins. Lemon verbena, camomile, pennyroyal, peppermint, spearmint, mint blend, rosemary, thyme, oregano, sage, herbal bouquet, bouquet garni. \$3.00 each. Minimum order: four tins (\$12.00 plus \$2.00 shipping). Mix or match. Perfect Christmas gift! Windsor House, 3503 Huon Drive, Louisville, KY 40218.

RARE PRESIDENTIAL CAMPAIGN BUTTONS! All parties and all types. Giant catalog. \$2.00. Davis Button Society, Box 522, Davis, CA 95617.

FINEST EUROPEAN CRYSTAL and porcelain. Excellent classic and contemporary designs. Completely handmade. Glassware, dinnerware, vases, plus J. Pike Jones Co., 4303 Buena Vista, #309A2, Dallas, TX 75205.

MISCELLANEOUS

MEET OTHERS. For hobbies, sports, correspondence, vacations. Friends nearby, worldwide. Electronic Exchange, Box 68-A1, Manhattan Beach, CA 90266.

ORIENTAL WOMEN AND MEN seek intelligent, literate American and Canadian correspondence. Asian Exchange, Box 1021AT, Honolulu, HI 96727.

MILITARY MEDALS AND DECORATIONS bought and sold. Current catalogue: 50¢, yearly subscription: \$4.50. Vernon, Box 1387A, North Baldwin, NY 11510.

SINGLE? WIDOWED? DIVORCED? Refined introductions nationwide! Hundreds of members all ages, intelligent, literate individuals. Identity, Box 315-AT, Royal Oak, MI 48068.

ASIAN, EUROPEAN SINGLES seek refined, intelligent correspondence, friendship! Hundreds of members. Established 1970. Information: Inter-Pacific, Box 304-AT, Birmingham, MI 48012.

SINCERE, INTELLIGENT SINGLES in the Philippines seek correspondence with cultured gentlemen. Free information. Filam, Box A3713-AM, Chicago, IL 60690.



ORIENTAL FRIENDS!
Women and Men wish to correspond
for True Friendship Worldwide. Let us
introduce you.

"Details Free"
**INTERNATIONAL
CORRESPONDENCE**
Box 1027-ATL, Orangevale, CA 95662

OUT-OF-PRINT BOOKS

YESTERDAY'S BOOKS LOCATED FOR YOU by professionals. No obligation. Out-of-State Book Service, Box 3253X, San Clemente, CA 92672-1053. (714) 492-2976.

CAN'T FIND THE BOOK YOU WANT? Bet we can. Ursula's Book Search, P.O. Box 3808, Oak Park, IL 60303.

PERSONALS

DISCREET, PERSONAL INTRODUCTIONS IN YOUR AREA. Meet sophisticated singles/couples. Platime International, Box 3355, York, PA 17402. (717) 848-1408.

CHRISTIAN SINGLES OUTREACH. Local/nationwide. Phone or mail introduction publication. No fees, donations only. Write: Box 9020-SV, Van Nuys, CA 91409.

CLASSICAL MUSIC LOVERS EXCHANGE. Nationwide link between unattached music lovers. Write: CMLE, Box 31, Pelham, NY 10803.

SINGLE PROFILE NEXUS creates a nationwide network of cultured singles. Box 19983, Orlando, FL 32814.

CARAVAN WORLD CORRESPONDENCE CONNECTION, a new concept in penfriendship, invites you to make exciting new friends worldwide. Write: Mildred Horn, Box 27186, Phoenix, AZ 85061.

CORRESPONDENCE MEETING: the most modern, inexpensive, effective method possible. Free listing. International Publications, Box (1)630816, Miami, FL 33163.

SINGLES WITH CLASS. Send \$3.00 for sample newsletter to: 122 East Yosemite, Suite 132A, Madera, CA 93638.

PUBLICATIONS

THE PEOPLE. Socialist bi-weekly covering major national/international developments. Since 1891. \$4.00/one year, includes free pamphlet, "Capitalism and Unemployment." \$1.00/four months. The People, (TAI), 914 Industrial Avenue, Palo Alto, CA 94303.

GLOBAL THREATS to third world minorities reported and analyzed in Cultural Survival Quarterly. For sample: Cultural Survival, 11 Divinity Avenue, Cambridge, MA 02138. (617) 495-2562.

SILICON VALLEY MAGAZINE. Articles concerning people, products, finance, architecture and other subjects in Silicon Valley. Bi-monthly. \$8.00. 3054 Harding Avenue, Santa Clara, CA 95051.

CROSSWORDS. 25, large print, never-before-published crosswords by Avery P. Bromfield. Specify left-handers edition or right-handers edition. Price: \$4.00, includes postage and handling. Maryland residents: add 5% tax. Overseas: add \$1.00. Mail check or money order to: OLIO Publishers, P.O. Box 78, Glen Echo, MD 20812-0078.

WORLDWIDE ENGLISH NEWSPAPERS. 65 exciting countries from all six continents! Sampler: four/\$2.98. Free brochure. Multinewspapers, Box DE-AB, Dana Point, CA 92629.

"BREAK INTO BROADCASTING." Revealing new booklet holds the key. Send \$4.95 to: Coastline Publications, 11 Cornell Road, Somers Point, NJ 08244.

CLASSIC CHILDREN'S STORY "The Ugliest Dog in Town"

A holiday and gift must! Send \$8.50.

AMERICANA
3412 Pama Lane, Las Vegas, NV 89120

REAL ESTATE

CANADIAN COUNTRY PROPERTIES. Our 70th year. Terms available. Catalog air mailed: \$1.00. Dignam Corporation, Ltd., Suite 487, 85 Bloor Street East, Toronto, Ontario, Canada M4W 1B5.

RECIPES

HOLIDAY TURKEY STUFFING. #1. Cornbread stuffing. Old southern recipe, easy to prepare, sure to please. #2. Oyster stuffing. Tired of same old turkey stuffing? Try this for the holidays. Will please everyone's taste. #1. recipe: \$3.00; #2. recipe: \$3.00; both recipes: \$4.50. Mail check or money order to: Genny Fowler, A.P.O. Box 1997, Chesapeake, VA 23320-1997.

NEW ORLEANS BRUNCH. Drink, entree and dessert to please the most epicurean taste. \$2.00/SASE to: Genevieve, 2522 Tamarack, Augusta, GA 30909.

BILLIE'S HEAVENLY CRANBERRY CHEESECAKE. Exquisitely creamy, elegant, festive. Delight your holiday guests! \$2.00 cash. SASE. Box 112158-A, San Diego, CA 92111.

MEXICAN TREAT. Make every chocolate lover's holiday dream come true! SASE, \$1.00. LCQ, 2731 Blairstone, No. 15, Tallahassee, FL 32301.

BELO OYSTERS UPS. Top quality, 48 per order. Island Marine Farms, Box 982, NE Harbor, ME 04662. (207) 276-5323.

RECORDS & TAPES

PROBLEMS? Our tapes provide answers. List free. Library, 448-AT North Prior, St. Paul, MN 55104.

HOME MOVIES COPIED, TRANSFERRED TO VIDEO TAPE, restored, plus enlarge individual frames of home movies, 8mm, super 8mm, 16mm. Send for free details, CPT Services, P.O. Box 9005, Cincinnati, OH 45209.

BLUES RECORDS BY MAIL. Best selection anywhere! Over 3,000 different albums. Complete illustrated catalog, \$3.00 (refundable with first order). Down Home Music (Atl), 10341 San Pablo Avenue, El Cerrito, CA 94530.

SERVICES

PIANO LESSONS BY MAIL using cassettes. Pay by the lesson. For more information, write: Music Lessons, P.O. Box 450, Mooresville, NC 28115.

SERVICES

Free Lance Film/Video Productions
Aloysius Unlimited
write: 4307 8th Ave. Rock Island, ILL 61201
 Storylines · Dance Films
Travelogues · Art Shorts
Experimental Abstract

TRAVEL

ROAM THE WORLD BY FREIGHTER at \$100.00 daily. First-class accommodations. TravLips Association, Box 188A2, Flushing, NY 11358. (212) 939-2400.

SOUTHWEST SAFARIS: natural history expeditions explore New Mexico, Colorado, Utah, Arizona. Bushflying, jeeping, rafting, Geology, archaeology, botany. Brochure: P.O. Box 945 (A), Santa Fe, NM 87504.

UNUSUAL INDIA AND NEPAL, Sri Lanka, Maldives, Burma, Thailand. Trekking, rafting, wildlife safaris, sightseeing. Free 28-page trip catalog. Himalayan Travel, Box 481-ATL, Greenwich, CT 06836. (800) 243-5330.

GREATER BOSTON HOSPITALITY. A bed and breakfast service offers reasonably priced accommodations in lovely metropolitan Boston homes. Write: Greater Boston Hospitality, P.O. Box 1142, Brookline, MA 02146. Phone: (617) 734-0807.

LOWER COSTS. Nationwide private guestroom exchange network offers wonderful travel options. Inquire: Visiting Friends, Box 231X, Lake Jackson, TX 77566. (409) 297-7367.

SAVE OVER \$1,000 on your Las Vegas vacation! Enjoy free rooms, food, drinks, gaming chips. Free brochure. Megabucks, Box 370, Henderson, NV 89015.

ISLAND ADVENTURES NEWSLETTER specializing in island vacation ideas throughout the world. \$20.00 for 11 issues annually. March Publishing Company, P.O. Box 5981, Kansas City, MO 64111.

TRAVEL

WILDLIFE AND CULTURAL EXPEDITIONS WORLDWIDE including Australia, East Africa, Galapagos, Himalayas, New Zealand, Polynesia, South America, Mexico. Small groups. Expert leadership. Free brochure. Write: Nature Expeditions International, Department AMC, 474 Willamette Street, Box 11496, Eugene, OR 97440. Telephones: (503) 484-6529.

NATURALISTS' DELIGHT! Baja California, Mexico. Abundant birds, marine mammals. Sea of Cortez Islands, desert flowers, cave paintings, Pacific lagoons, photographer's paradise. Personalized wilderness travel since 1966. Write for brochure: Baja's Frontier Tours, 3683-F Cactusview Drive, San Diego, CA 92105. (619) 262-2003.

THE OTHER CARIBBEAN. We have found a handful of private islands in the British Virgin Islands that welcome their guests in small doses. Sailing aboard classic yachts. Lodging in romantic inns. Dining on plantation house terraces. Diving, fishing, snorkeling off pristine beaches. For information, call toll free: (800) 245-2229. Progressive Travels Inc., 30 East Kiowa, Suite 104, Colorado Springs, CO 80903.

VACATION RENTALS

ELEGANT WEST COAST FLORIDA ISLAND HOME on private beach. Bikes, etc. Optional sailboats. Seasonal rates. Brochure: Box 842, Venice, FL 34284. (813) 493-6896.

SOUTH PADRE ISLAND, TEXAS. Two- and three-bedroom beachfront condominiums. Pools, jacuzzis, tennis, sailing, elevators. 24-hour staff. Half hour to Mexico. Free brochure. Sundale II & III, P.O. Box 2937, South Padre Island, TX 78597. Texas: (800) 531-4538, (512) 943-1307, (512) 943-6469.

DISCOVER "HIDEAWAYS GUIDE!" Unique, alluring and affordable private villa/condominium rentals and exchanges, inns, intimate resorts, yacht charters. Worldwide. Enjoy the broadest selection, best information, lowest prices, convenient travel planning services, discounts at luxurious condominium resorts, on airfares and automobile rentals. Free brochure; or call: (800) 843-4433 to join. Hideaways International, Box 1459A, Concord, MA 01742.

MOLOKAI, HAWAII. OCEANFRONT CONDO. Secluded resort. Great escape. Reasonable rates. Fully equipped. 8 Offenbach Place, Lake Oswego, OR 97034. (503) 635-5384.

CLASSIFIED ORDER FORM

WORD RATE: \$2.75 per word (minimum ad 15 words).

DISPLAY RATE: \$250.00 per column inch (one inch minimum order).

The Atlantic's new guaranteed paid circulation is now 440,000. Your classified ad will be reaching a greater audience than ever before. All advertisements must be accompanied by check or money order payable to *The Atlantic* and must be received no later than December 10th for the February issue. Send us your ad today, using the form below.

Please insert my ad _____ times, beginning with the _____ issue.

Heading _____

Enclosed is my check for \$ _____.

Name _____

Address _____

City _____

State _____

Zip _____

Tel. No. and Area Code _____

Signature _____

Copy for Classified Advertisement _____

DO NOT send classified ads, payments or related correspondence to *The Atlantic's* publishing office in Boston. This causes needless delay. Mail all materials and payments to:

The Atlantic

Classified Department

P.O. Box 1510, Clearwater, Florida 33517

Toll-free 800-237-9851 □ In Florida 813-443-7666

The Atlantic is represented by Russell Johns Associates, Ltd. for classified advertising

THE ATLANTIC PUZZLER

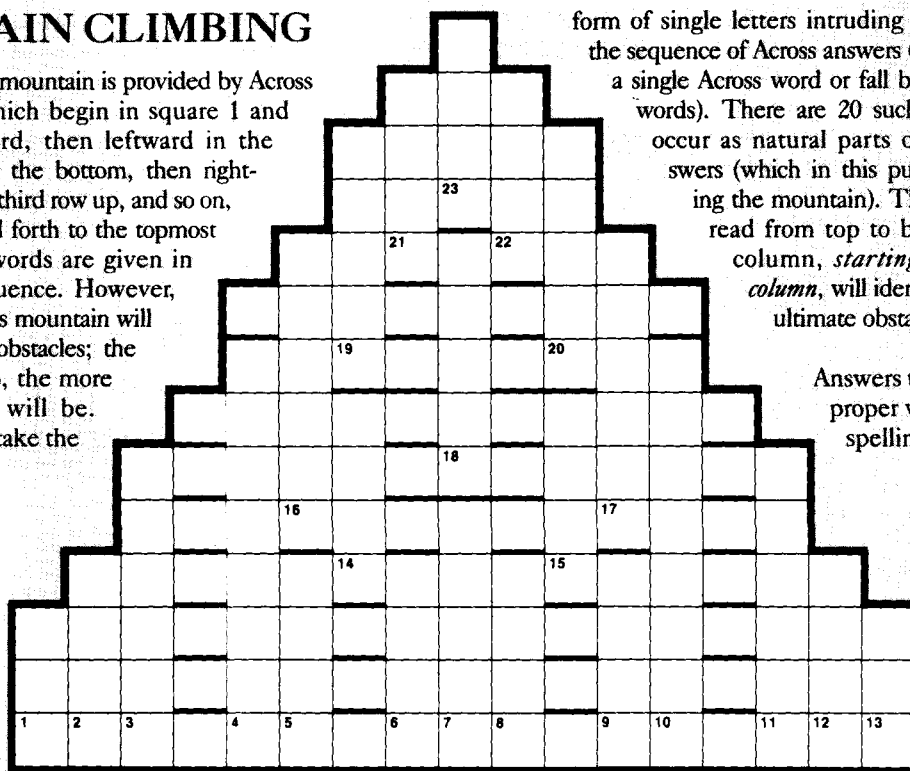
BY EMILY COX AND HENRY RATHVON

MOUNTAIN CLIMBING

A journey up the mountain is provided by Across answers a–u, which begin in square 1 and proceed rightward, then leftward in the second row from the bottom, then rightward again in the third row up, and so on, winding back and forth to the topmost square. Across words are given in their proper sequence. However, any climber of this mountain will encounter some obstacles; the farther up you go, the more numerous they will be. These obstacles take the

form of single letters intruding here and there in the sequence of Across answers (they may interrupt a single Across word or fall between two Across words). There are 20 such letters, and they occur as natural parts of the vertical answers (which in this puzzle go *up*, climbing the mountain). The 20 letters, when read from top to bottom column by column, *starting with the leftmost column*, will identify the mountain's ultimate obstacle.

Answers to clues include six proper words and a variant spelling at 6 Up.



The solution to last month's Puzzler appears on page 148.

ACROSS

- a. Rough journey announced (6)
- b. Most cryptic mountains flanked by streets (9)
- c. Count mountaineer out (11)
- d. Works a rope clumsily (5)
- e. A sun-hat styled for people in a rugged state (7)
- f. Backward mountain zone: a wide-open area (5)
- g. Band of 50 buried in fallen ridge (6)
- h. Gold is a subject to change in conversations (7)
- i. Wagon bearing a stone's weight (5)
- j. High ridge is mostly earth-colored (4)
- k. Go uphill endlessly with tool to gain peak (6)
- l. Eric maneuvered around tip of lofty ruin (5)
- m. Asia mountains concealing old country (4)
- n. Slate ripped palm (5)
- o. School heads for precipitous Andes (5)
- p. Saw is free of frost? (7)
- q. Spotted a broken piton (5)
- r. No steep cliff turned back French boy (6)
- s. Everything in stratum is rounded (6)
- t. Last of ominous mountains' tops appear huge (4)
- u. Summit reveals primate unknown (4)

UP

1. Copper deposit's last piece (3)
2. Cussword to a giddy height (4)
3. Hear a rattling around mountain (6)
4. Flier came crashing into arch (8)
5. One's scrambling for a long time (4)
6. Explorer's helmet—best one (4)
7. Bend in elevated arch (5)
8. Brook stems from river, not well (4)
9. German party staggered in a circling zigzag (4)
10. Precariously treading slope (8)
11. Flower with a slim, peculiar cross (6)
12. Curve in narrow channel going back north (4)
13. Goal in ascending (3)
14. Diagram endlessly rocky ridge (4)
15. Savage was holding large tools (4)
16. Explorer in white garb swallowed by snake (6)
17. Scale hill finally, with falling spirit (6)
18. Organized group chopped cedar (5)
19. One mostly dark, icy place to stay (5)
20. Mark is continuing after mountain pass (5)
21. Make me a mountaintop (4)
22. Almost slip in winds (4)
23. Highest point bears name in Gaelic (4)

Note: The instructions above are for this month's puzzle only. It is assumed that you know how to decipher clues. For a complete introduction to clue-solving, send an addressed, stamped envelope to The Atlantic Puzzler, 8 Arlington Street, Boston, Mass. 02116.

The Atlantic

READER-SERVICE INFORMATION CENTER

This issue of *The Atlantic* includes several advertisements that offer information on products and services. A complete listing is below. Please use the reader-service card or the coupon on this page to expedite your order.

1. **A NEW WAY TO REMEMBER:** Unique approach to memory improvement is provided by this easy-to-read, easy-to-apply book . . . **INSTANT MEMORY.** Uses natural ability of your mind to recall . . . no word association. **FREE** introductory information. The Institute of Advanced Thinking.
2. **AIU/AIG:** American International Underwriters/American International Group.
3. **AMERICAN EXPRESS:** For more information on how the American Express Corporate Card System can help your company, please circle number 3 on the reader-service card.
4. **AUDIO-FORUM:** Learn a foreign language on your own. Cassette/book course in 40 languages from Audio-Forum. **FREE** Catalogue.
5. **BODYGUARD**
6. **CABELA'S:** Cabela's **FREE** catalogue subscription: Hunting . . . Fishing . . . Camping . . . Boating . . . Gifts. 100% satisfaction guaranteed.
7. **CHEVROLET MOTOR DIVISION:** See *Today's Chevrolet*. Get a closer look at our 1985 Eurosport. Send for a free *Celebrity* catalogue.
8. **COMMITTEE FOR ENERGY AWARENESS:** Send for free booklets on nuclear energy's economic role in America.
9. **DODGE DIVISION:** For information circle number 9 on the adjacent reader-service card.
10. **GODIVA:** From Godiva Chocolatier comes the definitive catalogue of tasteful gifts. Call: 1-800-223-6005.
11. **GREEN RIVER TRADING COMPANY: LOG HOMES.** For further information about standard models or custom designing, circle number 11 on the adjacent reader-service card.
12. **HIMALAYAN EXCURSIONS:** A unique trekking company. Offers a wide variety of excursions exclusively in Nepal. Circle number 12 for a free brochure.
13. **INTERNATIONAL EXPEDITIONS:** For more information, circle number 13 on the reader-service card.
14. **L.L. BEAN:** L.L. Bean Outdoor Sporting Specialties.
15. **NCR CORPORATION:** NCR PC4—A BETTER PERSONAL COMPUTER. It's exactly what you'd expect from NCR. Send for a free color brochure.
16. **NIKON:** For more information please circle number 16 on the reader-service card.
17. **PACO RABANNE:** For information please circle number 17 on the reader-service card.
18. **QUALITY PAPERBACK BOOK CLUB:** Join the club for smart people who aren't rich.
19. **REMY MARTIN:** Discover the sense of Remy. 1-800-243-3787.
20. **SHEARSON LEHMAN/AMERICAN EXPRESS:** For information, please circle number 20 on the adjacent reader-service card.
21. **SONY BETAMAX®:** For more information on the Beta-Hi-Fi® VCR and all the other Betamax® VCRs that give you a sharper picture, circle number 21 on the adjacent card.
22. **SPERRY CORPORATION:** Sperry, manufacturers of computer-based information systems for business, government, and national defense.
23. **STOLICHNAYA:** Stolichnaya booklet—describes ten centuries of vodka-making tradition behind Stolichnaya.
24. **TRAVEL RESOURCES:** Private fully staffed villas and condos in the Caribbean and Mexico. Call toll-free number for brochure: 1-800-327-5039.
25. **VOLVO:** Volvo. A car you can believe in.
26. **WALDENBOOKS:** You'll find the best reading on every subject. Over 860 locations nationwide. Catalogues available.
27. **WILD TURKEY:** Wild Turkey prints (18" × 19"), individually signed by artist Ken Davies. \$50.00 for the complete set of five. If interested, please circle number 27 on the adjacent card.
28. **WINTER SILKS:** Silk balaclava ski hats offer winter warmth and minimum weight. Order today!
29. **WINTER SILKS:** 32 page catalogue of exclusive 100% pure silk winter bodywear and four-season sportswear. Send \$1.

If the reader-service card is missing from this copy of the magazine, please use the coupon below.

The Atlantic

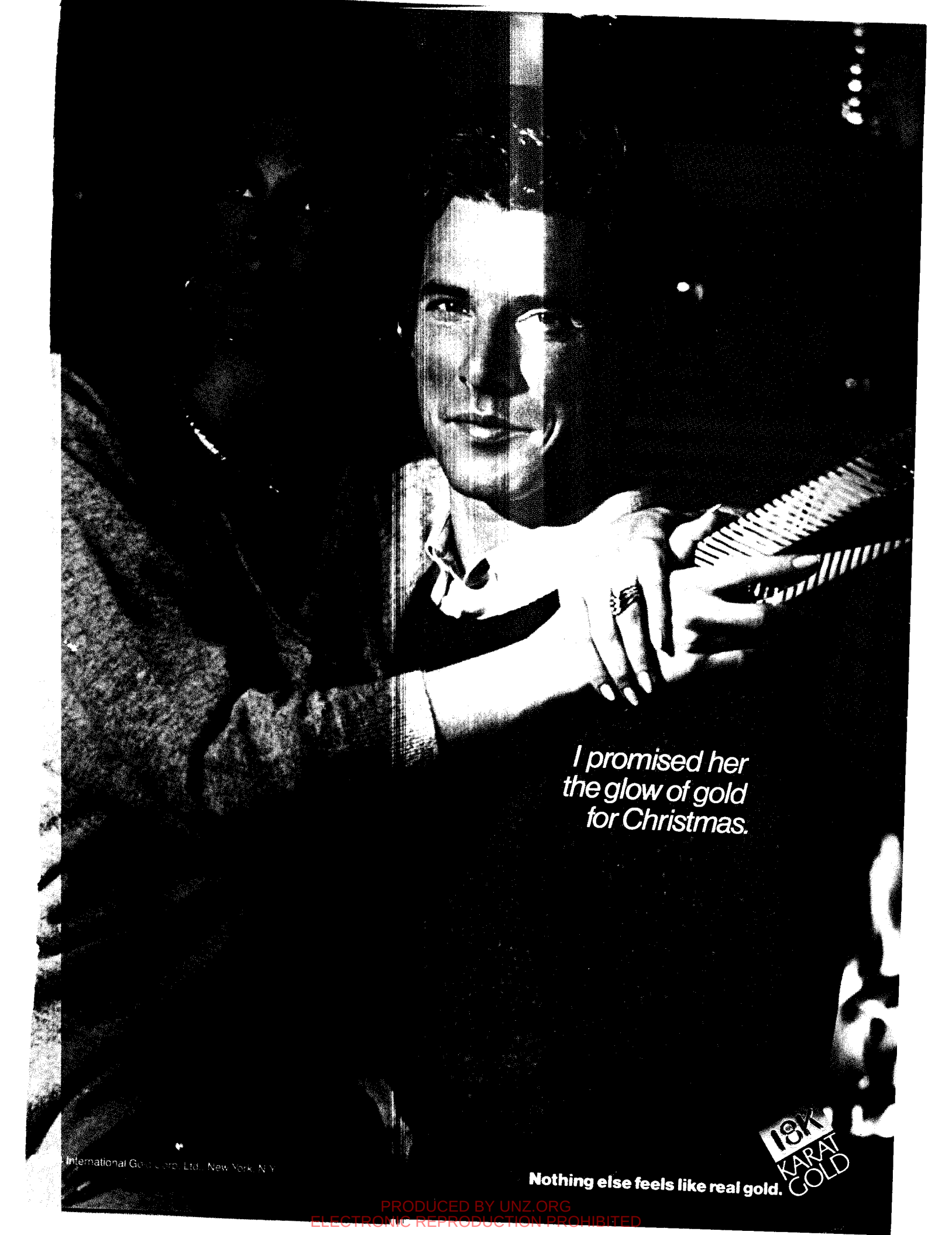
For more information on the listed advertisers, products and services, simply circle the numbers that correspond to those that interest you and mail this coupon to: *The Atlantic*, Attn: Reader-Service Dept., P.O. Box 2802, Clinton, Iowa, 52735. Expires February 20, 1985.

1. 2. 3. 4. 5. 6. 7. 8. 9. 10.
11. 12. 13. 14. 15. 16. 17. 18. 19. 20.
21. 22. 23. 24. 25. 26. 27. 28. 29.

NAME _____ (please print)
ADDRESS _____
CITY _____ STATE _____ ZIP _____

1. What is your title or position?
A. ☐ Owner, Partner, Other Company Officer
B. ☐ Manager, Supervisor, Other Administrative
C. ☐ Professional or technical specialist
D. ☐ Other: _____

2. If you would like to receive 12 issues of *The Atlantic* for \$9.95, please check here. ☐ 999
December 1984



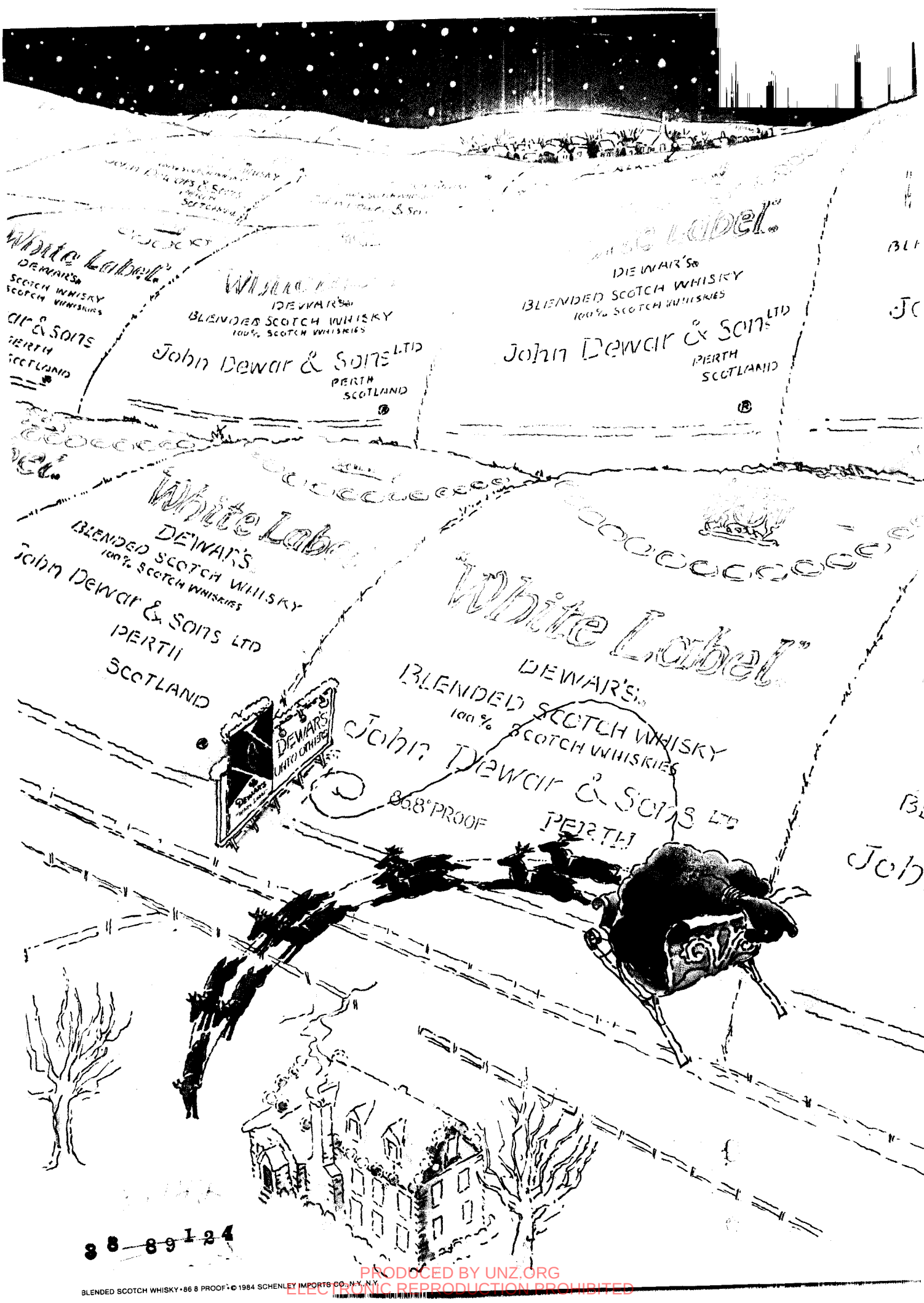
*I promised her
the glow of gold
for Christmas.*

International Gold Corp., Ltd., New York, N.Y.

Nothing else feels like real gold.

**18K
KARAT
GOLD**

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED



38-89124